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ECONOMIC INTELLIGENCE REPORT

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ECONOMIC CONSEQUENCES OF CURTAILMENT AND SUBSEQUENT WITHDRAWAL OF FOREIGN ECONOMIC ASSISTANCE TO YUGOSLAVIA



EIC-R-10

15 May 1954

Prepared Jointly by IAC and Other US Government Agencies

ECONOMIC INTELLIGENCE COMMITTEE

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ECONOMIC INTELLIGENCE REPORT

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FOREWORD

This report was prepared by an ad hoc working group of the Economic Intelligence Committee in response to a request from the Department of State in October 1952 for an agreed intelligence-community study on the subject.

The immediate purpose of the original request has been satisfied to a considerable extent by (1) the interim submission of a preliminary version of this report to the CIA Office of National Estimates as a contribution to a National Intelligence Estimate, NIE-93, Probable Developments in Yugoslavia, published in June 1953, and (2) the use of the major conclusions of this study in a briefing for a meeting of the National Security Council Planning Board held in January 1954. Since, however, the issues involved are of continuing concern to the US and much of the material included is not readily available elsewhere, this study is being published as an EIC report.

This report was substantially completed in October 1953. Since its completion, more recent estimates of probable Yugoslav balance of payments developments for the period through the fiscal year 1954-55* have become available. These revised estimates have not been considered explicitly in this report, but they do not significantly affect the conclusions thereof.

This report has been concurred in by the EIC representatives of the Departments of Army, Navy, Air Force, State, Commerce, and Agriculture, and of the Central Intelligence Agency, the Federal Reserve Board, the Foreign Operations Administration, and the Joint Chiefs of Staff.

* All references to fiscal years in this report are to the US fiscal year (1 July to 30 June). The Yugoslav fiscal year is the calendar year.

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NOTE ON CLASSIFICATION

The over-all classification of this report is SECRET. Some pages, however, are of lower classification and are so designated.

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ECONOMIC CONSEQUENCES OF CURTAILMENT AND SUBSEQUENT WITHDRAWAL
OF FOREIGN ECONOMIC ASSISTANCE TO YUGOSLAVIA

I. Conclusions.

The curtailment and subsequent withdrawal of foreign economic assistance would involve significant adjustments in the Yugoslav economy.

Yugoslav exports are likely to expand somewhat, but not sufficiently by 1955-56 to cover prospective trade deficits.

The Yugoslav government would thus be forced to promote measures to improve the efficiency of the economy and, in addition, to make cuts in imports for the military establishment, the investment program, and/or personal consumption.

Developments affecting certain international financial transactions will affect the extent of adjustment required.

The current schedule of foreign debt payments will represent a heavy burden on the Yugoslav balance of payments during the next 3 years. If these payments could be rescheduled over a longer period of time, the adjustment required would be reduced.*

New foreign loans, if obtained, would offset the short-term effects of withdrawal of foreign economic aid. New loans in significant volume, however, seem quite unlikely during the period in question.

The continuation of private capital movements from abroad -- largely charitable contributions -- would also offset the effects of withdrawal of aid and so would lessen the adjustment required. A decline would, of course, increase the need for adjustment.

* No recommendations are offered in this report as to appropriate US policies with respect to the rescheduling of existing foreign debt or the contracting of additional debt by Yugoslavia.

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In the absence of serious drought, a not uncommon occurrence in the area, the long-term stability of the Yugoslav economy would probably not be endangered by curtailment and subsequent withdrawal of foreign economic assistance.

II. Discussion of Conclusions.

A. Long-Term Economic Stability Probably Not Endangered.

1. Yugoslav Dependence on Foreign Trade Still Limited under Normal Conditions.

Even though Yugoslavia has become markedly more dependent on foreign markets and sources of supply as the result of its economic development program, the total degree of this dependence remains limited because Yugoslavia is, and for some time will remain, a relatively self-sufficient, industrially underdeveloped, agricultural country. This is true notwithstanding the fact that a combination of special circumstances resulted in an unusual degree of dependence on foreign aid from late 1950 to the present time.

2. Foreign Aid Program.

From July 1950 to June 1953, Yugoslavia received economic assistance in the amount of approximately \$350 million. This assistance was initiated to forestall an impending economic crisis, the approach of which had been hastened by the serious drought of 1950. Economic difficulties preceding the 1950 drought were in large part the result of the pursuit of two major policy goals formulated after the break with the Soviet Bloc. These goals were (a) the build-up of a defense establishment which would be capable of deterring the USSR and its Satellites from aggression and (b) the persistent efforts, under inauspicious circumstances, to support an investment program which was considered by the Yugoslavs as essential to the creation of an industrial base for economic and political independence. These goals were pursued during the period of Yugoslavia's relative economic isolation following the break with the Soviet Bloc and resulted in the virtual depletion of its small reserves of foreign exchange and gold and the contraction of large foreign debts. Despite its critical importance,

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foreign aid accounted for only 4 percent of total national availabilities -- from internal sources plus net imports of goods and services -- at its peak in the drought year 1952-53, and is expected to account for only about 2 percent in the fiscal year 1953-54. (See Table 2.*)

3. Yugoslav Foreign Trade.

In "normal" crop years, Yugoslavia produces enough agricultural products to feed its population at customary levels and to provide surpluses for net exports. Ordinarily these agricultural exports, together with exports of timber and nonferrous metals, have been sufficient to pay for minimum imports -- the industrial raw materials and equipment which are required in order that the Yugoslav economy operate at approximately current levels. The Yugoslav foreign trade position should improve gradually as the present "key investment program" is completed and as the plants involved enter into production. Most of these plants are scheduled to be operating by 1955-56. This will be the earliest year in which -- without the benefit of foreign economic aid, aside from continuing support requirements related to the Mutual Defense Assistance Program (MDAP) -- the Yugoslav economy may be expected to operate at levels approximately equal to or slightly above present levels which are bolstered in part by aid-provided resources.

This relative optimism does not imply that there might not be important internal or external political repercussions from curtailment or withdrawal of aid. Political, as opposed to strictly economic, considerations are not, however, the direct concern of this report.

4. Impact of Drought.

If droughts comparable to those of 1950 and 1952 developed, Yugoslavia would be forced to import foods in substantial quantities and to reduce, if not eliminate, agricultural exports. For example, agricultural products accounted for about one-third of total imports in the 2 calendar years 1951 and 1953, which followed the recent serious droughts,** as compared to less than 10 percent before World War II and during the years 1947-50. Agricultural products accounted for about

* Table 2 follows on p. 15.

** In 1951, \$129 million out of \$391 million of total imports.

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one-half of all exports before the war. After the war, the contribution of agricultural products to total exports varied from 30 to 50 percent in the nondrought years and from 20 to 30 percent in the calendar years following the droughts.* Thus serious drought would result in significantly increased food imports and decreased exports. Nonagricultural exports alone would not suffice to pay for the imports necessary to maintain the present level of economic activity. In the absence of foreign economic aid, serious drought would, therefore, jeopardize the stability of the Yugoslav economy.

The drought which occurred in the fall of 1953 may have important repercussions on Yugoslavia's balance of payments and, therefore, on its economic stability. It will not, however, be possible to determine the full impact of this drought until the spring or summer of 1954.

B. Significant Adjustments Would Be Required.

The Yugoslav balance of international payments is expected to improve gradually over the next few years. Although there is some chance of a balance in Yugoslavia's foreign accounts by 1955-56 without aid, there is very little likelihood of such a balance in 1954-55, given the level of imports considered essential and the level of exports considered likely.

During the current fiscal year (1953-54), foreign aid shipments are expected to pay for approximately \$75 million of imports, or about one-fourth of total planned imports. In fiscal year 1954-55, foreign aid is expected to be smaller than in 1953-54, but the \$75 million figure indicates the general order of magnitude of the adjustment involved in a withdrawal of aid.

1. Increase in Exports Sufficiently Large to Offset Withdrawal of Aid Not Probable.

It is very unlikely that Yugoslavia could increase exports in the next year or two by an amount even approaching \$75 million per year. Production of agricultural products cannot be increased very much in the short-run, since neither acreages nor yields respond rapidly to short-term pressures. Furthermore, even if consumption were held at the present very low per-capita levels,

* In 1951, \$45 million out of \$184 million of total exports.

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total requirements would still increase steadily because of an average increase in population of some 200,000 persons per year. No appreciable ~~increases~~ in exportable agricultural products, therefore, seem feasible. Production and availability for export of industrial commodities should increase as new facilities come into operation. The International Bank for Reconstruction and Development (IBRD) has estimated that by 1955-56 industrial production may have risen by 30 percent over the 1951 level and exports of industrial products, by 29 percent. These estimates, however, may be optimistic in view of rising domestic requirements. Furthermore, Yugoslav exports are likely to be held down by two other factors: (a) the necessity for competing with more efficient Western European industries that are already established in world markets and (b) the effects of various governmental policies on agriculture, prices, foreign exchange, marketing, and the like, which are designed to stimulate the movement of domestic goods into foreign trade channels but which do not always prove, on balance, to be effective.

2. Necessity for Reducing Imports.

If, as appears likely, Yugoslavia finds it difficult or impossible to increase total exports substantially within the next year or two, the major part of an adjustment to a reduction and subsequent withdrawal of aid would have to be made by a reduction in imports, an adjustment in its external debt servicing, and/or by new loans.* Cuts in imports would involve one or more of the following sectors:

a. Military Establishment.

In recent years the military sector has been given priority over all other sectors of the economy in obtaining domestic and imported goods. The Yugoslav leaders would hesitate to cut military expenditures significantly. Since Yugoslav imports for the military sector have accounted for about one-fourth of total imports, and any appreciable reduction of imports for the civilian sector of the economy would have serious consequences, it is quite probable that any substantial reduction in imports would require that some savings be made in military imports.

* Certain service receipts (transport charges, insurance, and others) have not been analyzed in detail, but they constitute relatively small credits and it is not considered that they will be significant sources of additional foreign exchange earnings in the near future.

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Under present arrangements, the US is furnishing almost all the spares and other supplies needed to support the equipment sent to Yugoslavia under the Mutual Defense Assistance Program. It is likely that these arrangements will continue in effect for the next year or two regardless of the level of foreign economic aid.

It might be possible to effect savings in Yugoslav military imports by such actions as stretching out the build-up of industries producing war materiel, by postponing purchases of spares and replacements, and by reducing the use of equipment in training, thus saving fuel and extending the life of this equipment. Such economies would, however, tend to undermine major US and Yugoslav objectives by impeding the combat readiness of a part of the Yugoslav armed forces. US efforts to modernize and strengthen certain elements of the Yugoslav armed forces would be offset if other elements which are not included in the Mutual Defense Assistance Program were allowed to deteriorate.

b. Personal Consumption.

Significant cuts in imports of raw materials for consumer goods industries would seriously affect already low per-capita consumption levels in Yugoslavia. The government has repeatedly promised the population an increase in its standard of living, which appears to be no higher and may be even lower than before the war. Such an increase would have the very important effect of increasing the production incentives of urban and rural populations. An immediate withdrawal of aid would almost certainly be followed by reductions in imports for the consumer goods industries, with undesirable consequences in terms of production incentives and, therefore, in total production.

c. Investment.

Progressive reductions in imports for the investment program during the next few years are possible, provided the Yugoslav government does not embark on any major new investment activity beyond the present "key investment program." By 1955-56, when most of the projects included in this program are expected to be in operation, it appears that a 50 percent reduction (from approximately \$100 million to \$50 million annually) in capital goods imports would be feasible.*

* Based on IBRD estimates which seem reasonable.

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The number of economies possible in the next year or two, however, is limited by the need to complete these installations in the "key investment program" which are almost ready to enter into production, and by purchase-contracts for imported capital goods on which down-payments have already been made.

3. Foreign Debt Charges.

Total Yugoslav external indebtedness* as of the middle of 1953 is estimated at the equivalent of about \$385 million.** The heavy burden of charges on this debt -- both principal and interest -- adds substantially to the short-term Yugoslav balance of payments problem. Contractual principal payments amount to \$65 million in fiscal year 1953-54, \$72 million in fiscal year 1954-55, and \$48 million in fiscal year 1955-56. In addition, there are obligations of

* The term foreign (or external) indebtedness as used in this report generally represents the face value of the loans or credits involved, minus the amount of principal repaid. Where applicable, this means the total commitment as contrasted with drawings under the commitment. This results in some overstatement of "real" indebtedness because of the time-lag between the negotiation of some loans and their full utilization. An alternative would be to treat indebtedness as the amount of loan actually utilized as of a given date, minus the amount repaid. This would, in effect, understate total indebtedness because nonutilized portions of contracted loans generally represent obligations about to become finalized. There are some instances where loan commitments are not completely drawn upon, but such instances have been extremely limited in postwar Yugoslavia.

The treatment of debt in this report results in total current figures which are about \$40 million higher than those usually reported by the Yugoslav government, which reports on the basis of utilized debt. The difference is accounted for primarily by the different treatments of the IBRD and German loans, which will almost certainly be fully utilized.

** Information which became available after the substantial completion of this report indicates that in addition to the foreign indebtedness considered in the report, approximately \$34 million of foreign debts has been contracted by Yugoslav enterprises. Of this amount, \$23 million has been guaranteed by the Yugoslav National Bank. About half of the \$23 million is in dollar obligations, but it is not known to what countries the debts are owed, or what the payment terms are.

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approximately \$5 million per year to reduce swing credits,* and \$9 million per year in interest payments. Principal payments are presently scheduled to decline to between \$25 million and \$30 million per year in calendar years 1957 and 1958.

If the payments on some of the obligations could be re-scheduled so as to spread the heaviest payments over a longer period, the short-run impact of a withdrawal of foreign economic aid would, to that extent, be offset. There is some hope that agreement may be reached for rescheduling debt payments to Yugoslavia's two major creditors -- Germany and the UK. This would ease Yugoslavia's immediate balance of payments problem.

4. New Foreign Loans.

New foreign loans, if available, would soften the short-term impact of a withdrawal of foreign economic aid, even though they would have to be repaid at maturity and serviced in the interim. It is important to point out, however, that the Yugoslav government in connection with its borrowings from the IBRD agreed to a \$380 million "ceiling" on total medium- and long-term indebtedness.** The IBRD considers that the present level of indebtedness has reached this ceiling. Under the present understanding with the IBRD, therefore, additional medium- and long-term loans can be incurred only as the present level of indebtedness is reduced by repayments of existing debt. For this and other reasons,*** it is difficult to estimate the volume of loans that Yugoslavia might obtain in the next 2 years, but if loans were negotiated even in considerably smaller volume than those obtained in recent years,**** they would be of significant help in covering Yugoslavia's foreign exchange requirements during the coming 2 years.*****

* It is assumed that beginning with January 1954, swing credits will be reduced by \$5 million per year. This assumption is based on the following two factors: (a) it is known that the Yugoslavs would like to keep the deficits in their swing credits at their present levels; and (b) some of Yugoslavia's creditors have made it clear that they will apply pressures to have the deficits in their clearing accounts reduced. By balancing these factors, a gradual average reduction of \$5 million a year was arrived at.

** See p. 26.

*** See p. 30.

**** An average of approximately \$40 million each half year beginning in 1951.

***** See footnote, p. 1.

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5. Private Capital Movements.

Private capital movements from abroad -- largely charitable contributions -- amounted to from \$20 million to \$30 million each year from 1947 to 1952. Their future level cannot be predicted; but, if they continue at roughly the level of recent years, they will contribute an important credit to the balance of payments. If they should decline, this will -- to that extent -- reduce balance of payments receipts.

6. Credit Control and Inventories.

During 1953 an expansion of short-term bank credit to enterprises by 15 percent facilitated an apparent expansion of inventories by about 25 percent, significantly greater than the expansion in industrial and business activity in that year. This conclusion is based on a study of credit statistics, since data on over-all inventories are not published. The increase in inventories -- notwithstanding low stocks of raw materials including imported goods, to which the Yugoslav authorities have pointed with some alarm -- presumably reflects (a) accumulations of finished goods which cannot be sold because their quality is low relative to their price; (b) accumulations of goods in process, reflecting inefficiencies in the administration of Yugoslav enterprises; and, perhaps, (c) increased purchases of agricultural products from peasants following the good harvest of 1953.

The expansion of inventories had adverse effects upon the balance of payments. Goods made of imported materials, as well as exportable goods, were held in inventories (as goods in process) instead of being made available to domestic consumers, or exported. To this extent there has been overimporting and underexporting. Thus enforcement of credit controls to limit inventories would aid in restoring Yugoslav external balance.

III. Background and Analysis.

A. Foreign Economic Aid.

An appreciable reduction in foreign economic assistance to Yugoslavia in fiscal year 1954-55 and the possibility of no further economic aid after that year are likely, given present and prospective US foreign aid policies. In examining the effects of the

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reduction and eventual withdrawal of economic aid on the Yugoslav economy, it is useful to review the situation in Yugoslavia when aid was initiated in late 1950, the volume of aid up to the present time, and the contribution which this aid has made to Yugoslav economic stability.

Following the break with the Soviet Bloc in 1948, Yugoslavia was faced with a growing economic crisis which was hastened by the serious drought in 1950. This crisis resulted largely from the pursuit of two major goals of Yugoslav policy. These were (1) the building up of a defense establishment capable of deterring the Soviet and Satellite states from aggression and (2) the carrying through of an investment program intended to establish the economic and political independence of Yugoslavia. In the period between the break with the USSR and the receipt of grant aid from the West, which began to appear in actual shipments in early 1951, the Yugoslav government maintained the strength of its already large armed forces, although it was unable to improve its equipment and materiel.

In order to maintain its armed forces and continue the investments of the Five Year Plan (originally 1947-51), the government attempted to meet import needs by increasing exports to the highest possible level. The difficulties encountered in finding sufficient export surpluses and developing new export markets necessitated further measures: gold and foreign exchange reserves were drawn down from \$59 million in the middle of 1948 to \$17.5 million at the beginning of 1950, and trade-agreement swing credits were utilized to the limit and even exceeded, becoming, in effect, long-term credits amounting to \$54 million at the end of 1950. In addition, the government obtained credits from foreign governments and nongovernmental banks equal to almost \$200 million by the end of 1950. Some of these credits were granted by Western European countries eager to gain export markets for their reviving heavy industries. These measures permitted the Yugoslavs to make down-payments for capital goods involving long-term contracts and immediate payments for raw materials and for certain types of finished capital goods.

Thus, plans and specific long-term preparations involving commitments of funds abroad in the form of contracts and initial financing, were made -- with reference both to defense and to investment -- before US drought-relief and, subsequently, tripartite economic aid were initiated. As a result of the actual preparations associated with this long-term planning, two major sectors of the economy -- defense and investment -- had already assumed large and somewhat rigid proportions

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before this aid began, thus limiting the influence the tripartite powers were able to exert on the Yugoslav economy, directly or indirectly, through their aid.

1. Volume and Importance of Aid.

Large-scale grant aid to Yugoslavia by the West began when Yugoslavia, struggling to reorient its trade as a result of the Soviet Bloc blockade, experienced a serious drought in the summer of 1950. Yugoslavia turned to the West for help. This help was extended for the primary purpose of helping to maintain an economy which would be capable of withstanding Soviet pressures. The US granted about \$65 million of Emergency Relief Assistance, and US voluntary relief organizations distributed about \$25 million of US Government surplus food stocks. Most of this aid was delivered to Yugoslavia in the first half of 1951.

During the first months of 1951 it became evident that the Yugoslav economy had reached a critical stage in respect to raw materials, and the US Government extended \$29 million of aid from MDAP funds for the purchase of raw materials. In the late spring of 1951, the US, the UK, and France met in London to study Yugoslavia's over-all economic situation and to determine how they might best promote their common interests in Yugoslavia.

The most important reason for the granting of economic aid to Yugoslavia by the West was to assure the country's viability and its independence. This aid was extended to Yugoslavia to meet pressing current needs rather than to support long-term projects. As a result of this conference the tripartite aid program was initiated by the three governments, which accepted responsibility for providing grant aid to finance Yugoslavia's balance of payments deficit up to a maximum of \$125 million for the fiscal year 1 July 1951 through 30 June 1952. Aid amounting to \$120 million was finally authorized, with the US furnishing 65 percent, the UK 23 percent, and France 12 percent of the total.

Table 1* shows the amounts of foreign economic aid granted to Yugoslavia from the 1950 drought to the present time, with a projection of probable aid through the fiscal year 1953-54, as well as the actual shipments of aid-financed goods in each of these years. In

* Table 1 follows on p. 12.

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Table 1

Summary of Economic Aid to Yugoslavia a/*
Grants and Actual Shipments b/
Calendar Year 1951 - Fiscal Year 1953-54

	Million US \$			
	Calendar Year 1951	Fiscal Year 1950-51	Fiscal Year 1951-52	Fiscal Year 1952-53 1953-54 (Projected)
Grants				
Tripartite Aid				
US	32.5		78.0 c/	60.0 e/
UK	11.5		27.6	8.4
France	6.0		14.4	5.6
Total	50.0	120.0	130.0	74.0
Other Economic Aid				
US Food Grants				
1950 Emergency	0	50.0	0	0
MDAP Food	0	15.2	0	0
US MDAP Raw Materials	29.0	29.0	0	0
US CARE Program	23.6	27.8	0.5	0
Other Voluntary Relief)				
France, Food Aid	1.0	1.0	0	0
Belgium, Food Aid	0.2	0.2	0	0
Total	53.8	123.2	0.5	0
Total, All Grants	103.8	123.2	120.5	74.0
Actual Shipments (for Comparisons)				
Total, All Programs f/	148.6	89.0	127.5	75.0

* Footnotes for Table 1 follow on p. 13.

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Table 1

Summary of Economic Aid to Yugoslavia a/
Grants and Actual Shipments b/
Calendar Year 1951 - Fiscal Year 1953-54
(Continued)

-
- a. Foreign Operations Administration.
- b. The difference between the figures under Grants above and those under Actual Shipments is largely due to the inclusion under Grants of specific grants in the fiscal year in which they seemed available for use, rather than in the fiscal year when actually made, as is the case in Table 12. See footnotes c, d, and e, below for specific grants treated in this manner.
- c. The \$2.25 million advanced from fiscal year 1952-53 program late in fiscal year 1951-52 is included in fiscal year 1952-53.
- d. Principal grant of \$78 million for 1952-53 plus drought emergency grants of \$20 million in January 1953 and \$11 million in May 1953.
- e. The \$15 million advanced from fiscal year 1953-54 program in June 1953 is included in fiscal year 1953-54.
- f. See Table 12, p. 46.

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accordance with the purposes of the program, goods purchased with tripartite aid have consisted primarily of raw materials. Textile raw materials have accounted for between 33 and 40 percent of the total shipments to date, coke for 10 percent, crude rubber and hides combined for 7 to 10 percent. In the fiscal year 1952-53, because of the drought emergency, large amounts of grain were included in the aid.

Table 2* indicates the relative importance of grant-aid shipments by comparing these shipments, in turn, with estimated total Yugoslav availabilities (from internal sources plus net imports of goods and services), per-capita consumption, total imports, the balance of trade and services, and capital goods imports. Even though tripartite aid shipments have amounted to no more than 3.9 percent of total availabilities in any given year, their real significance becomes evident when it is seen that they accounted for a third or more of total imports during the period in question. Thus, without foreign aid, many essential commodities could not have been imported.

Compared to the deficit in the net balance of trade and services, foreign aid shipments ranged from about two-thirds to one and a half times this deficit.

In determining the importance of Western aid to Yugoslavia, account should also be taken of loans and credits and of military aid, even though shipments under the latter category do not enter into commercial channels.

Although foreign economic aid has been used primarily to finance imports for current consumption rather than directly for capital goods, it is worth noting that foreign aid shipments have been greater than capital goods imports in each year that aid has been extended. This indicates that foreign grant aid, in conjunction with foreign loans, has indirectly permitted Yugoslavia to pursue its investment program.

Even more impressive indications of the importance of economic aid to Yugoslavia than the statistics in Table 2 might suggest are certain other results which are less susceptible to precise measurement. Omitting from this report consideration of the

* Table 2 follows on p. 15.

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Table 2

Indexes of Importance of Grant Aid to Yugoslavia
Calendar Year 1951 - Fiscal Year 1953-54

	Calendar Year 1951	Fiscal Year 1951-52	Fiscal Year 1952-53	Fiscal Year 1953-54 (Projected)
Grant Aid (Actual) Shipments (Million US \$) a/ *	148.6	127.5	137.2	75.0
Total Availabilities (Million US \$) b/	N.A.	3,818.0	3,524.0	3,895.0
Aid as Percent of Total Availabilities	N.A.	3.0	3.9	1.9
Population (Millions) c/	16.5	16.7	16.9	17.2
Distribution of Aid Per Capita (US \$)	9.0	7.6	8.1	4.4
Per-Capita Consumption (US \$) d/	N.A.	112.6	100.5	118.8
Aid as Percent of Per-Capita Consumption	N.A.	6.7	8.1	3.7
Total Imports (Million US \$) e/	390.8	357.9	408.3	326.4
Aid as Percent of Total Imports	38.0	35.6	33.2	23.2
Net Balance of Trade and Services (Million US \$) f/	-238.4	-88.0	-217.0	-84.0
Aid as Percent of Net Balance of Trade and Services	62.3	144.9	63.2	89.2
Capital Goods Imports (Million US \$) g/	N.A.	92.1	120.0	69.0
Aid as Percent of Capital Goods Imports	N.A.	138.5	114.3	108.7

* Footnotes for Table 2 follow on p. 16.

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Table 2

Indexes of Importance of Grant Aid to Yugoslavia
Calendar Year 1951 - Fiscal Year 1953-54
(Continued)

- a. From Table 1, p. 12, above.
- b. Total availabilities from the Appendix, Table 15 (Gross National Product minus net balance of trade and services).
- c. Bureau of Census estimates.
- d. From the Appendix, Table 15.
- e. 1950-52 imports from Statistics of Foreign Trade of the YFPR; later years estimated by FOA.
- f. From the Appendix, Table 18.
- g. Source for 1951-52, IBRD, Current Economic Developments and Credit Worthiness of Yugoslavia, January 1953; later years estimated by FOA.

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political effects of economic aid, the major results of aid during the past 3 years appear to have been as follows: maintenance of the defense establishment; avoidance of famines which might have resulted from droughts; effects on the government's agricultural program; facilitation of foreign loans; and effects on general economic policies of the government (the so-called "New Economic System").

The maintenance of an effective defense establishment as a deterrent to Soviet Bloc attack was a major consequence of economic aid. Although the Mutual Defense Assistance Program provided direct support for the Yugoslav armed forces, economic aid contributed to the general economic stability which is essential for the strength of any military establishment. It is not easy to demonstrate statistically the direct effect which economic aid has had on Yugoslav defense capabilities. It is clear, however, that Yugoslavia, handicapped by a lower per-capita consumption than any other country in Western Europe, was enabled to continue supporting a military establishment which is among the largest in non-Soviet Europe, despite the adverse effects of the break with the Soviet Bloc on the Yugoslav pattern of trade, and despite two major droughts. The Yugoslav armed forces utilized a larger part of the country's national product -- over 15 percent from 1951 to 1953* -- than has been utilized in the defense effort of any other Western country. Furthermore during the period of economic aid, the Yugoslav economy has been able to undertake the construction of plants for producing a large part of the basic military materiel (excluding heavy equipment) necessary to maintain its own forces. Some of these plants are already in operation.

Another important consequence of the granting of economic aid to Yugoslavia has been the avoidance of famine or near-famine conditions following the 1950 and 1952 droughts. Aside from humanitarian considerations, it was essential to prevent the economic disorganization and the political and social unrest which would have followed a drastic, forced cut in food consumption. It is not possible to assess precisely what the effect of the 1950 drought might have been had it not been followed by US food aid and tripartite economic aid. It appears, however, that this aid actually spelled the difference between widespread hunger and the relative social and political stability which actually prevailed. The American observers in Yugoslavia during 1950-51 reported that, to the best of their knowledge, the distribution of US relief was well organized, and that

* See Table 15, p. 58.

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not a single case of starvation came to their attention. From the standpoint of economic and political stability the threat of the 1952 drought was not quite as serious. Food and animal fodder from the previous year's good harvest and supplies of consumer goods in excess of consumer demands were in shops and warehouses -- in marked contrast to the situation prevailing at the time of the 1950 drought. These features in themselves evidence that increase in economic and political stability which differentiated the later from the earlier period of drought.

A connection can be traced between economic aid and the government's agricultural policy, but it is not possible to determine precisely what this policy might have been in the absence of aid. The two droughts brought the continually worsening agricultural problem to the forefront, and the government was forced to alter its policy of promoting collectives at any cost.* Actually, economic aid may have been instrumental in permitting the Yugoslav government to postpone pressing agricultural reforms, since the foodstuffs received under the aid program lessened considerably the dependence of the government on the private agricultural sector and permitted it to feed the cities and maintain nonfood imports with other resources of its own. On the other hand, in the absence of food and tripartite aid the government might have tried to solve its problem by even more severe measures against the peasants in its efforts to control the country's limited agricultural supplies. This aid enabled the government to abolish forced collections of agricultural products and to initiate reforms of the price system. On balance, it would seem that the aid may have delayed the eventual abolishment of certain unproductive collective farms, but it has given the government a chance to review its agrarian policies and to lay plans for elimination of the most glaring inadequacies.

A significant byproduct of the economic aid program, of the three US credits made available through the Export-Import Bank in 1949-50, and of the UK credits in 1950-51 has been the encouragement to other investors to lend money to Yugoslavia.

* A recent report indicates that at the end of 1953 there were only 1,258 collective farms in Yugoslavia as compared with close to 7,000 in 1951. The decrease was in part the result of a 1953 decree permitting dissolution of collectives. The number of collective farms, however, had actually begun to diminish before the promulgation of this decree.

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The extension of tripartite aid and the postponement of the Yugoslav debt payments to the tripartite powers were important considerations in the decision by the IBRD to extend loans to Yugoslavia. It also seems probable that Yugoslavia would have found it more difficult to obtain short-term credits from the Chase National Bank of New York, Turkey, and Canada for grain imports following the 1952 drought if it had not already been the recipient of economic aid in support of basic economic stability.

Finally, a more intangible and less measurable benefit of economic aid has been its effect on the general economic policies of the Yugoslav government. The current trend in Yugoslav economic and political thinking had already started before the drought of the summer of 1950, well before tripartite aid was extended. Economic aid, however, assisted in the implementation of the "New Economic System" by assuring the government of relative economic stability during this trying period. The basic reason for the introduction of the "New Economic System" appears to have been a realization on the part of Yugoslav leaders that the existing Soviet-style system had not proved successful and that a substitute was called for. The "New Economic System" involved the creation of new economic incentives in industry and agriculture in an attempt to improve productive efficiency, without abandoning fundamental state control of the economy. Greater reliance was placed upon market mechanisms, taxation, credit policies, and on "indirect controls" rather than on comprehensive centralized controls. Greater latitude was given to individual enterprises with respect to such matters as prices, wage payments, and marketing outlets. The propaganda value of the "liberalizing" features of the system was also a useful byproduct. As in the case of the agrarian policies mentioned above, it is difficult to determine what course the Yugoslav government might have followed in the absence of economic aid, but the possibility cannot be excluded that it might have been forced to make even greater concessions to the population in order to stimulate production and deliveries.

2. Future Aid Levels.

Discussions on the level of economic aid to be extended to Yugoslavia during the fiscal year 1953-54 began in Belgrade at the third tripartite conference, which completed its study of Yugoslav requirements in April 1953. This conference estimated that Yugoslavia's balance of payments would require external financing of \$89 million in order to support the economy at a level of consumption consistent with the economic-military objectives of the assistance program.

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The conference's view was that this deficit, which was \$8 million below Yugoslav estimates, should be financed by grant assistance of \$14 million from the British and French Governments plus \$75 million from the US. At a later date the US Government decided to cut its share to \$45 million because of over-all limitations of funds available for aid to all countries. In June 1953, however, additional US aid amounting to \$15 million was made available to Yugoslavia from remaining 1952-53 funds, bringing the total US new allotments during fiscal year 1952-53 to \$122 million, so that the carry-over pipeline on 30 June 1953 was considerably larger than had been envisaged earlier. The drawing down of this pipeline in fiscal year 1953-54 will boost the available aid to an amount approaching the original estimates of need (that is, to about \$75 million of the \$89 million proposed).

There is, as yet, no final decision regarding economic aid to Yugoslavia after the fiscal year 1953-54. At the present juncture, the US is proposing a continuation of the tripartite aid program beyond fiscal year 1953-54, when the three governments had originally estimated that the Yugoslav economy would be viable. The US hopes that the UK and France will continue to extend grant aid, at levels slightly below fiscal year 1953-54. US agencies responsible for aid recommendations are proposing the appropriation of \$35 million by the US as its share of tripartite economic aid for Yugoslavia in fiscal year 1954-55.

B. Foreign Indebtedness and Servicing Burden.*

The necessity for servicing Yugoslavia's foreign indebtedness, totaling about \$385 million as of 1 July 1953, imposes a serious obstacle to the balancing of Yugoslavia's foreign economic accounts in the near future. The planned reduction in economic aid, coinciding with the peak demands for principal payments on the basis of present contractual arrangements will place heavy demands on the Yugoslav economy over the next 3 years.

1. Composition of the Foreign Debt.

The total of Yugoslav foreign indebtedness is estimated at the equivalent of \$385 million. (excluding the prewar public debts**) as

* Section B is classified CONFIDENTIAL

** Agreement on the total amount of these debts has not yet been reached between the Yugoslavs and the creditors.

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of 1 July 1953, a \$25 million increase over 1 January 1953.* The major portion of this, amounting to \$250 million, consists of long-term and medium-term credits. Also outstanding are \$22 million of short-term credits extended during the 1952 drought, \$30 million of revolving or secured credits, \$40 million of swing credits under trade agreements, and \$45 million of debts for nationalized properties.**

About two-thirds of the total indebtedness is owed to four major creditors -- the UK, the Federal Republic of (Western) Germany, the US, and the IBRD -- each of which accounts for more than 15 percent of the total debt. The remaining third is divided among more than 20 other creditors, some of which have extended only very small credits. The combined debt to Denmark, the Netherlands, Norway, and Sweden, for example, totaled less than \$3 million on 1 July 1953.

2. Incurrence of the Debt Over Time.

The greater part of the debt for nationalized properties and of the revolving or secured credits was incurred before 1950.*** Various agreements were signed in 1950 and 1951 regarding payments on the prewar public debt, but the total amounts agreed upon are not known. Other loans and credits have been incurred up to the present time. The equivalent of \$50 million was obtained by Yugoslavia before 1950, and an average of \$40 million equivalent each half year thereafter. Most of the credits, involving the largest increase in indebtedness (\$88 million), were obtained during the second half of 1950, following that year's drought. On the other hand, the smallest increase in this type of indebtedness (\$12 million) occurred in the first half of 1952, following the good harvest of 1951.

These loans and credits were obtained, in general, for two purposes:

a. Certain short-term credits in the fiscal years 1950-51 and 1952-53 were to finance imports of food requirements resulting from the droughts in these years.

* See Tables 3, 4, and 5, pp. 22, 23, and 24.

** See Table 4, p. 23.

*** See Table 6, p. 25.

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Table 3

Composition of Yugoslav Foreign Debt a/
1 January 1953

Major Debts	Nationalized Property Debts	Loans and Credits				Swing Credits	Total
		Long- and Medium-Term	Short- Term	Revolving or Secured			
UK	7.81	47.60	0	12.70	0	68.11	
West Germany	0	42.50	0	0	22.30	64.80	
US	0	55.00	8.00	0	0	63.00	
IBRD	0	28.00	0	0	0	28.00	
Belgium	6.71	13.71	0	0	3.70	24.12	
Switzerland	15.17	6.30	0	0	0	21.47	
France	13.83	8.50	0	0	2.77	25.10	
Austria	0	10.00	0	0	4.53	14.53	
Canada	0	0	8.64	0	0	8.64	
Turkey	0	0	9.66	0	0.63	10.29	
IMF	0	0	0	9.00	0	9.00	
BIS	0	0	0	7.25	0	7.25	
Subtotal	43.52	211.61	26.30	28.95	33.93	344.31	
Minor Debts	2.22	1.86	0	.60	10.98	15.66	
Total Debts	45.74	213.47	26.30	29.55	44.91	359.97	

a. Figures derived from the Appendix, Table 13, pp. 48-54.

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Table 4

Estimated Composition of Yugoslav Foreign Debt a/
1 July 1953

		Million US \$			
Major Debts	Nationalized Property Debts	Loans and Credits			Total b/
		Long- and Medium-Term	Short- Term	Revolving or Secured	
UK	7.10	47.60	0	12.70	
West Germany	0	46.40	0	0	
US	0	55.00	8.00	0	
IBRD	0	58.00	0	0	
Belgium	6.69	16.81	0	0	
Switzerland	14.94	6.30	0	0	
France	13.83	7.05	0	0	
Austria	0	10.00	0	0	
Canada	0	0	8.64	0	
Turkey	0	0	5.17	0	
IMF	0	0	0	9.00	
BIS	0	0	0	7.25	
Subtotal	42.56	247.16	21.81	28.95	
Minor Debts	2.21	2.44		0.60	
Total Debts	44.77	249.60	21.81	29.55	385.48

a. Figures derived from the Appendix, Table 13, pp. 48-54.

b. Breakdown not available.

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Table 5

Composition of Yugoslav Foreign Debt
Actual and Expected a/
1951-59

	Million US \$																	
	1951		1952		1953		1954		1955		1956		1957	1958	1959			
	Jan 1	Jul 1	Jan 1	Jul 1	Jan 1	Jul 1	Jan 1	Jul 1	Jan 1	Jul 1	Jan 1	Jul 1	Jan 1	Jan 1	Jan 1			
Nationalized Property Debts	36.80	50.22	48.69	46.82	45.74	44.77	42.69	39.70	37.35	34.94	32.56	30.16	27.76	23.48	10.11			
Loans and Credit	172.84	195.73	220.48	214.81	239.77	271.41	256.08	235.27	207.81	181.67	160.25	146.93	135.45	114.73	98.25			
Revolving and Secured Credits	20.28	27.07	29.55	22.19	29.55	29.55	27.83	15.11	7.36	2.00								
Subtotal	229.92	273.02	298.72	283.82	315.06	346.83	326.60	290.08	252.52	218.61	192.81	177.09	163.31	138.21	108.36			
Swing Credits	53.75	54.14	37.82	36.30	44.91	39.75	40.00	37.50	35.00	32.50	30.00	27.50	25.00	20.00	15.00			
Total	283.67	327.16	336.54	320.12	359.97	385.48	366.60	327.58	287.52	251.11	222.81	204.59	188.21	158.21	123.36			

a. On the assumption that no new debts will be contracted. Figures derived from the Appendix, Table 13, pp. 48-54.

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Table 6

Incurrence of Yugoslav Foreign Debt a/
Pre-1950 and January 1950 - June 1953

		Million US \$					
		1950		1951		1952	
		Pre-1950	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
							1953
							Jan-Jun
Nationalized Property Debts	45.43	0	0	0.20	15.03	0	0
Loans and Credits	49.71	38.57	88.40	31.77	12.44	29.17	43.98
Revolving and Secured Credits	23.00	5.50	0	0.40	0	7.45	0
Totals	118.14	44.07	88.60	32.17	12.44	36.62	43.98
Swing Credits	N.A.	N.A.	N.A.	0.87	7.37	15.31	
Total Debt				33.04	19.81	51.93	43.98

a. Figures derived from the Appendix, Table 14, pp. 55-57.

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b. Credits of all types (long- , medium- , and short-term and revolving and secured) were obtained to finance imports of capital goods and raw materials for Yugoslav industry.

3. Debt Ceiling of \$380 Million Agreed to with the IBRD.

In its October 1951 report on the creditworthiness of Yugoslavia,* the IBRD estimated that Yugoslav total indebtedness (excluding prewar public debts and swing credits) equaled approximately \$180 million as of September 1950. At that time the IBRD's management recommended that Yugoslav borrowings in the next few years be limited to an additional \$200 million, thus proposing a "ceiling" of \$380 million on Yugoslav foreign indebtedness. This limit, which was concurred in by the Yugoslavs, was arrived at by estimating that Yugoslavia would be able to meet debt-servicing payments (in all currencies) of about \$30 million annually, which amount would service a total debt of about \$380 million on a long-term basis (20 to 25-year maturity) at an average interest cost of 4-1/2 percent, plus certain repayments on prewar public debts. The IBRD considers the \$380 million ceiling to have been reached by the end of 1953.**

It should be noted in passing that the Bank's calculations do not appear realistic in these respects:

a. According to present contractual arrangements, over two-thirds of the Yugoslav debt is to be amortized by the end of 1958. None of the credits except for those from the IBRD have a maturity of more than 10 years, so the calculation in terms of an average 20 to 25 year maturity is not realistic.

b. Swing credits, not included within debts covered by the ceiling, amounted to about \$40 million on 1 July 1953. They are expected to be repaid at a rate of approximately \$5 million per year, thus utilizing export earnings which otherwise might be used to service loans and credits included within the ceiling.

4. Debt-Servicing Requirements.

The total amount of Yugoslav external debt is within its capabilities to service, as estimated by the IBRD, but much of it is

* IBRD, "Report on the Economy and Creditworthiness of Yugoslavia," 1 October 1951.

** See Section II, B, 4, p. 8.

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in short- and medium-term debts which call for substantial principal payments in the next 3 years. During the fiscal years 1953-54, 1954-55, and 1955-56, contractual principal payments amount to \$185 million. Even if payments on the emergency wheat credits resulting from the 1952 drought are excluded,* there still remain about \$163 million or an average of \$54 million a year to pay before July 1956 unless some of these principal payments are rescheduled.**

During the same period, contractual interest payments will amount to about \$27 million. Thus a total of about \$63 million a year (excluding consideration of the wheat credits) is scheduled to be paid in the next 3 years, or twice the amount estimated by the IBRD as within Yugoslavia's ordinary capacity to allot to debt servicing charges. To this should be added an estimated average of \$5 million a year for expected swing reductions during the period. If no new loans are obtained, however, the contractual debt payments will taper off sharply after the next 3 years, with only \$21 million of principal payments remaining for calendar year 1957 and \$17 million for calendar year 1958, plus \$8 million of interest charges for 1957 and \$7 million for 1958.***

In each year since 1948, Yugoslavia has received more in new loans than it has needed to service existing loans, the only exception being the fiscal year 1951-52, when a good harvest permitted a slight reduction in total outstanding debt. In each year, furthermore, Yugoslavia has been the recipient of foreign aid in an amount considerably greater than debt-servicing requirements. This is not to say that tripartite aid was granted to Yugoslavia for the purpose of servicing its foreign debt, but the receipt of this aid did facilitate the meeting of debt obligations.

5. Possibilities of Postponing Debt Payments.

In the case of three minor debts, Yugoslavia has been able to negotiate postponements of debt-servicing payments. Payments on the debt to Sweden for nationalized properties, which were due at the end of 1952 and in the middle of 1953, were postponed for 1 year. The \$6-million Swiss equipment credit, originally due 30 September 1953, was rescheduled for payment in 10 semiannual installments

* See Table 13, p. 48.

** See Table 7, p. 28.

*** See Table 13, p. 48.

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Table 7

Total Yugoslav Debt Service Requirements a/
January 1951 - July 1956

	Million US \$					
	Actual <u>1951</u>	Fiscal Year <u>1951-52</u>	Fiscal Year <u>1952-53</u>	Fiscal Year <u>1953-54</u>	Fiscal Year <u>1954-55</u>	Fiscal Year <u>1955-56</u>
Contractual Principal Payments	26.78	41.12	20.50	64.76	72.47	47.72
Swing Reduction	23.65	26.08	11.86	8.00 <u>b/</u>	5.00 <u>b/</u>	5.00 <u>b/</u>
Subtotal	<u>50.43</u>	<u>67.20</u>	<u>32.46</u>	<u>72.76</u>	<u>77.47</u>	<u>52.72</u>
Interest Payments	4.26	4.10	5.60	8.60	9.00	9.00
Total Debt Service Requirements	<u>54.69</u>	<u>71.30</u>	<u>38.06</u>	<u>81.36</u>	<u>86.47</u>	<u>61.72</u>

a. Figures derived from the Appendix, Table 13, pp. 48-54.

b. Estimated.

beginning 31 May 1954, and approximately \$4.8 million of payments on the French military credit due in the period April 1953 to October 1954 were deferred until the period April 1956 to October 1957.

Although these postponements have improved Yugoslavia's international financial situation somewhat, no substantial amelioration of the problem of servicing debts during the next few years is likely without substantial adjustments in the West German and UK loans, each of which accounts for about 17 percent of total Yugoslav foreign indebtedness. According to present contractual arrangements, Germany is to be repaid \$45 million of principal over the next 3 years* (not including swing reductions) and the UK, \$39 million (not

* It is not known whether a recent addition of \$16 million to the German debt (see p. 29, below) will increase principal payments in the next 3 years.

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including nationalized property payments). Since the total amount of scheduled principal payments (excluding swing reductions and nationalized property payments) in those years amounts to \$161 million, West Germany and the UK together account for just about half of the total. The other major creditors, the US and the IBRD, represent approximately the same proportion of outstanding Yugoslav indebtedness as West Germany and the UK, but the terms of these loans are relatively long and only \$6.5 million of principal must be repaid on them during the next 3 years. They represent no major problem in terms of immediate burden.

The UK recently made an offer to Yugoslavia that could ease somewhat the existing burden of debt servicing. The UK proposed that if the Yugoslavs pay off the revolving credits due the Midland and Westminster Banks in London as they come due in the fiscal year 1953-54, the UK would raise the ceiling of guarantees to exporters by an equivalent amount and would accept postponement until 1956 of the \$2.8 million payment due on 30 June 1954 on the £8 million credit. The UK is also prepared to postpone other payments on the £8-million, £3-million, £2-million, and £4-million medium-term loans, provided the Yugoslavs obtain approximately equivalent concessions from its other creditors, the most important of which is West Germany. Thus the negotiations with Germany assumed particular importance. Not only do present schedules provide for greater payments to Germany than to any other creditor, but also the UK and other creditors are unwilling to agree to fundamental changes in their payment schedules unless Germany first revises its schedules.

The basic issue in the Yugoslav-German debt negotiations is Yugoslavia's request to reschedule over a longer period of time payments on the medium-term debt of almost \$60 million (\$41.2 million outstanding as of 1 July 1953 plus an additional \$16 million for equipment recently ordered from Germany). These negotiations were lengthy and complicated, and at first no solution appeared likely in the then unsettled German political situation. The chances for a successful conclusion of these negotiations increased greatly after Chancellor Adenauer's victory at the polls in September 1953. The German government has repeatedly assured the US Government that it would do everything possible to come to a satisfactory agreement with Yugoslavia, but German government agencies have heretofore been unwilling or unable to arrange for the funding of the debt, and referred the Yugoslavs in the summer of 1953 to a private German bank, the Rheinische Girozentrale in Dusseldorf. The arrangements with this bank might have been

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satisfactory except for an interest rate of 8 percent plus a fee of 2 percent, which the bank demanded and which the Yugoslavs considered excessive.

In view of past assurances by the German government, and current pressures being brought to bear by German exporters interested in Yugoslavia as a market for their products, it appears likely that some arrangement will be reached for postponing debt payments. This would remove one of the primary obstacles in the way of agreements with other creditors and would be an important step toward adjusting the schedule of Yugoslavia's debt-servicing charges to its short-run ability to pay.

6. New Foreign Loans.

The discussion thus far has been based on the assumption that no net additional loans or credits would be obtained by the Yugoslav government. The question of new loans will now be considered.

There are a number of factors limiting further loans to Yugoslavia. First, there is the realization by the Yugoslav government that any net additional loans would increase the already great burden of debt-servicing charges. The government has shown its awareness of this danger by its regulations controlling the expansion of foreign borrowing on the part of industrial and business enterprises. On the other hand, the desire of the Yugoslav leaders to further industrialize their country -- as exemplified by a recent reference to new key investment projects after present ones are completed -- provides a motive for increased foreign borrowing.

The second factor is the commitment under present loan agreements with the IBRD that Yugoslavia shall "notify the Bank promptly of the particular proposal /to incur any additional external debt/ and, before the proposed action is taken, shall afford to the Bank all opportunity which is reasonably practicable in the circumstances to exchange views with the borrower with respect thereto. ..." There are two exceptions to this requirement. The Yugoslav government is not required to consult the IBRD if the additional debt results from the utilization of a then existing credit, or if it is a short-term obligation, repayment of which is to be completed within one year.

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The commitment to consult the IBRD is, of course, tied closely to the \$380 million debt ceiling discussed above. Since the new credits contracted in the second half of 1953 apparently bring total Yugoslav indebtedness to or above the \$380 million mark, the understanding with the IBRD has become a limiting factor.*

The third factor is the commitment by Yugoslavia -- under an Exchange of Notes of 11 October 1952 on the subject of tripartite aid -- to "exchange views" with the US, the UK, and France whenever the occasion arises for new loans from sources other than the IBRD. Actually this requirement was not strictly enforced during the fiscal year 1952-53. The tripartite draft note covering aid in 1953-54 proposed that Yugoslavia report to the tripartite powers quarterly on the status of unpaid balances of investment and commercial debts (as well as credits under negotiation) owed by governmental units and state enterprises.

Despite these factors, it appears likely that Yugoslavia will attempt to secure further credits from foreign governments and nongovernmental sources. In the past few months, for example, three new loans were negotiated: \$16 million was added to Yugoslav indebtedness to West Germany; a \$28 million contract was negotiated with French and Belgian banks for the development of the Majdanpek copper project and a cellulose-pulp plant; and a \$14 million contract was negotiated with a US firm and the Japanese Export-Import Bank for a viscose plant.

The viscose plant was definitely not a "key" project, and part of the equipment that will be covered by the \$16 million credit from Germany also appears to be outside the planned "key investment program." According to the IBRD, many of the projects which are to use this equipment from Germany are not of high priority and could easily have been postponed. The Yugoslav government continued to insist, however, that all this equipment was essential.

It is difficult to estimate the volume of additional loans which Yugoslavia may attempt to obtain. This will depend on many factors including the government's decisions with respect to the investment program, the military-preparedness program, and the level of private consumption; the country's ability to increase agricultural and other exports; and the success of efforts to postpone debt-servicing charges coming due in the near future. In addition, of course, the granting of any additional loans would require that creditors be willing to extend them.

* See Section III, B, 3, p. 26.

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The "burden" imposed by new loans depends in large part on the uses of which their proceeds are put, and on their repayment and interest terms. A new long-term loan might be used to reduce the immediate burden of debt servicing if the proceeds were used to repay (refund) existing shorter term and/or higher interest loans. Unfortunately, future increases in Yugoslav foreign indebtedness are more likely to be associated with the desire for additional industrialization or for emergency short-term credits, than for a sound rescheduling of existing obligations.

C. The Level of Personal Consumption.*

The limited resources available for personal consumption is a significant factor affecting Yugoslav viability. The level of personal consumption in Yugoslavia currently amounts to only slightly more than \$100 per capita per year. Per-capita gross national product and personal consumption data for Yugoslavia, for certain NATO countries, and for West Germany for 1951-52 and 1952-53 are indicated in Table 8.** An examination of the table indicates that both GNP and per-capita consumption in Yugoslavia are very low. The low living standards indicated by these data suggest that there is limited "compressibility" which might be drawn upon to improve the Yugoslav balance of payments.

In the postwar period, a very large portion of the limited available resources were devoted to the industrial investment and military programs. The relative drains on total resources of the investment program and of government services, with comparable data for selected other countries, are indicated in Table 9.***

D. The Balance of International Payments.

1. Introduction.

Foreign economic assistance, as stated earlier, was provided in order to enable Yugoslavia to finance a larger volume of imports than would otherwise have been possible. These imports were

* Section C is classified CONFIDENTIAL.

** Table 8 follows on p. 33. Because of the statistical problems involved, comparisons of GNP and personal consumption data must be used with a great deal of caution. The data indicated are not to be interpreted in any precise manner, but they are valid for purposes of indicating general orders of magnitude.

*** Table 9 follows on p. 34.

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Table 8*

Per-Capita Gross National Product
and Personal Consumption in Selected Countries a/
1951-53

	1951-52		1952-53	
	Per-Capita GNP	Per-Capita Personal Consumption	Per-Capita GNP	Per-Capita Personal Consumption
Yugoslavia	227	113	198	100
Germany (Federal Republic)	594	338	630	367
Greece	290	223	298	228
Italy	340	238	349	243
Netherlands	565	338	577	342
Norway	835	527	850	547
Portugal	163	125	163	121
Turkey	191	140	204	147

a. Foreign Operations Administration.

considered essential for the purpose of maintaining and promoting Yugoslavia's economic and political viability. Yugoslav ability to continue financing essential imports is dependent on future developments as they will be manifested in its balance of payments. A reasonable projection of the balance of payments will, therefore, throw light upon Yugoslavia's probable ability to continue to obtain essential imports and, therefore, to adjust to a curtailment and subsequent withdrawal of foreign economic assistance. This assistance has been an important means of financing imports during the period since 1950.

The Yugoslav internal economic situation on the one hand and its balance of payments position on the other, as has been indicated previously, interact upon each other. A shortage of foreign exchange, for example, has limited imports of raw materials for industry. The delay in completing the key investment program installations has limited increases in industrial output which could either add to exports or

* Table 8 is classified CONFIDENTIAL.

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Table 9
Allocation of Available Resources in Selected Countries a/*
1951-54

Million 1951-52 US \$								
Gross National Product	Total Availabilities	Personal Consumption	Personal Consumption as Percent of Total Availabilities	Gross Investments	Gross Investment as Percent of Total Availabilities	Total Government Services	Government Service as Percent of Total Availabilities	
Yugoslavia								
1951-52	3,730	1,880	49	906	24	1,032 b/	27	
1952-53	3,305	1,698	48	840	25	986 b/	28	
1953-54	3,810	2,043	52	942	24	910 b/	23	
West Germany								
1951-52	28,671	16,350	58	7,040	25	4,694	17	
1952-53	30,676	17,894	58	7,760	25	5,081	17	
1953-54	32,585	18,300	56	7,986	25	6,292	19	
Greece								
1951-52	2,347	1,809	71	344	14	386	15	
1952-53	2,434	1,864	74	271	11	391	15	
1953-54	2,531	1,905	74	300	11	384	15	
Italy								
1951-52	15,980	11,200	69	3,260	20	1,685	11	
1952-53	16,540	11,520	68	3,500	21	1,900	11	
1953-54	17,230	11,850	68	3,625	21	1,990	11	

* Footnotes for Table 9 follow on p. 35.

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Table 9
Allocation of Available Resources in Selected Countries a/
1951-54
(Continued)

		Million 1951-52 US \$					
		Gross National Product		Personal Consumption		Gross Investment	
		Total	Personal Consumption	as Percent of Total	Gross Investments	as Percent of Total	Government Service
		Availabilities	Consumption	Availabilities	Investments	Availabilities	as Percent of Total
							Availabilities
Netherlands							
1951-52	5,824	5,396	3,487	65	1,036	19	873
1952-53	5,021	5,651	3,574	63	1,087	19	990
1953-54	6,227	6,033	3,713	62	1,275	21	1,045
Norway							
1951-52	2,754	2,660	1,738	65	634	24	288
1952-53	2,820	2,788	1,815	65	635	23	338
1953-54	2,880	2,845	1,845	65	640	22	360
Portugal							
1951-52	1,410	1,423	1,085	76	197	14	141
1952-53	1,428	1,431	1,060	74	205	14	166
1953-54	1,488	1,502	1,121	75	203	13	178
UK							
1951-52	38,982	40,152	28,176	70	5,382	13	6,594
1952-53	39,762	39,485	28,302	72	3,593	9	7,590
1953-54	40,752	40,884	28,542	70	4,602	11	7,740

a. Mutual Security Agency estimates.
b. The following percentages of Total Government Services were devoted to defense expenditures: 1951-52, 60 percent.
1952-53, 61 percent.
1953-54, 66 percent.

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displace imports. The unavailability of adequate consumer goods as incentives for the peasants was one of the important contributing causes to the limited availabilities of agricultural commodities for export.

A difficult balance of payments situation developed because of the limited quantities of exportable supplies on the one hand and the import requirements for the investment program, the military establishment, industry, and for foodstuffs to replace crops lost by drought on the other.*

Table 10** summarizes the Yugoslav balance of payments during the postwar period. It is to be noted that the item "net balance of trade and services," or the balance on current account, has been negative throughout the postwar period, indicating an excess of imports over exports in every year of the period. Before the war, this item was usually positive, with total exports (visible and invisible) exceeding total imports by an average of approximately \$20 million annually.

A deficit in the balance of trade and services must be paid for in some manner -- by the use of foreign exchange or gold holdings, by capital imports, or by grant assistance. The extent to which each of these means has been used to cover the deficits in the postwar period is shown in Tables 10 and 18,*** below. In balance of payments terms, the task facing Yugoslavia is to eliminate the deficit in its balance of trade and services, and to achieve a sufficiently large surplus on current account to cover capital account payments.

2. Projection of Yugoslav Balance of Payments in 1955-56.

A preview of the Yugoslav balance of payments position during the fiscal year 1955-56 is facilitated by a fairly recent, independent study on this subject which was prepared by the IBRD.**** This study was made for the purpose of determining the advisability

* For statistical data on Yugoslav foreign trade, see the Appendix, Tables 19-25, pp. 71-77.

** Table 10 follows on p. 37.

*** Table 10 follows on p. 37; Table 18, p. 69.

**** IBRD, "Economic Developments and Creditworthiness of Yugoslavia," 30 January 1953. U. (Report marked Restricted- Not for Publication.)

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Table 10

Yugoslav Balance of Payments Summary a/
1946-54

	1946	1947	1948	1949	1950	1951	Fiscal Year 1951-52	Fiscal Year 1952-53	Fiscal Year 1953-54
	Million US \$								
<u>Summary</u>									
Net Balance of Trade and Services (Current Account Balance)	-212.1	-109.0	-57.5	-135.0	-119.4	-238.4	-88.0	-217.0	-84.0
Balancing Items									
Net Capital Balance (Excluding Foreign Aid)	+8.8	+41.0	+59.6	+77.5	+127.2	+86.9	-28.4	+67.0	+2.0
Foreign Aid	+220.0	+63.0	+4.6	+5.9	+8.6	+151.7	+127.5	+137.0	+75.0
Use of Reserves b/ (- build-up + drawing down)	-7.3	+19.1	-2.6	+45.6	-11.5	+0.7	-13.0	+13.0	+7.0
Errors and Omissions	-9.4	-14.1	-4.1	+6.0	-4.8	-0.9	+1.9		

a. Figures taken from the Appendix, Table 13, p. 48.

b. In this entry, the minus sign denotes build-up and the plus sign, drawing down.

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and effects of a then proposed IBRD loan to Yugoslavia, with particular reference to the Yugoslav ability to service this loan, given its other foreign obligations. The study includes a projected Yugoslav balance of payments for fiscal year 1955-56. In order to arrive at any such projection, it is necessary to make a number of basic assumptions as to "required" imports, probable exports, and probable price movements. These, in turn, are based on further assumptions regarding technical factors in industry and agriculture, weather conditions, domestic output, world price movements, and other relevant factors. The IBRD assumptions in general seem reasonable, although perhaps somewhat on the optimistic side. It is evident, however, that any conclusions based on these assumptions must be tentative in nature since they may turn out in some measure to be invalid.*

The significant summary data in the IBRD projection of the Yugoslav balance of payments for 1955-56 and comparable data for earlier years are presented in Table 11.**

It will be noted that the IBRD projection indicates a very substantial improvement in the Yugoslav trade balance in 1955-56 as compared to earlier years. As a matter of fact, the 1955-56 projection indicates a positive balance in the current account of 30 to 35 million dollars equivalent which would be available for debt-servicing payments. Thus on the assumption that the Yugoslavs will be able to negotiate a schedule of debt-servicing charges within this amount, this implies that by 1955-56 Yugoslavia will have achieved a position in which it is able to finance essential imports from its own resources without requiring external assistance.

* The US Embassy, Belgrade, has recently completed a study of the Yugoslav investment program and its probable effects on the Yugoslav balance of payments. Unfortunately, the Embassy study was not available in Washington when this report was being written. Based on a cursory examination of the study, it appears that its conclusions differ somewhat from those of the IBRD study. The Embassy study indicates that improvement in the balance of payments resulting from the completion of the key investment program may be less than was expected by the IBRD. A major difference between the two studies is the consideration of the textile industry in the Embassy, but not in the IBRD study.

** Table 11 follows on p. 39.

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Table 11

Yugoslav Balance of Payments, IBRD Estimates for 1955-56,
and Comparable Data for 1951-54 a/

	Million US \$			
	<u>1951-52</u>	<u>1952-53</u>	<u>1953-54</u>	<u>1955-56</u>
Exports	264	183	237	250
Imports	361	408	330	230
Trade Balance	-97	-225	-93	+20
Net Invisibles <u>b/</u>	+9	+8	+9	+10-15
Debt Service <u>c/</u>	40	30	30	30-35

a. 1951-54, from the Appendix, Table 18; (1951-52 is actual, 1952-53 and 1953-54 are Foreign Operations Administration estimates); 1955-56, IBRD projection from IBRD, "Current Economic Developments and Creditworthiness of Yugoslavia," 30 January 1953. U. (See footnote 4, p. 36.)

b. This item represents the net balance of services from 1951-54. The IBRD report does not make clear what it represents in 1955-56; it is assumed to represent the net balance of services in that year, too.

c. This item represents actual debt service payments in 1951-52, estimated payments in 1952-53 and 1953-54, and amount available for debt service in 1955-56. It should be noted that in 1955-56 it is the residual item.

a. Yugoslav Expectations Regarding Foreign Aid.

The IBRD study assumed implicitly that the Yugoslav government would act on the supposition that no foreign economic assistance would be forthcoming in 1955-56, even if its programs should result in new balance of payments deficits. This -- or some similar assumption -- is fundamental. If it were assumed that any balance of payments deficit which developed would be covered by assistance, it is almost certain that deficits would develop. Discussion of adjustments to a withdrawal of aid would, therefore, not be very meaningful. Furthermore, without some such assumption there would be no basis for a balance of payments projection. Insofar, however, as the assumption made turns out to be invalid, any

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conclusions arrived at regarding Yugoslav prospects should be modified. There is some evidence that the Yugoslav government would not hesitate to allow imports to exceed exports if it thought that the Western powers would help Yugoslavia out of the resulting difficulties, and that it is attempting to obtain as much foreign economic aid as it can.* On the other hand, the various measures involved in the "New Economic System" appear to be aimed, in part at least, at relieving Yugoslav balance of payments difficulties. The new market policies (which, by partly freeing prices, allow them to adjust more closely to world prices) and foreign exchange policies (which seek to encourage exports and discourage imports) tend to improve the balance of payments. The more realistic fiscal and credit policies of the Yugoslav government should also have a salutary influence. In general, the program involves increasing incentives and decreasing administrative interferences in the economic system. These measures are, however, still in a state of flux, and no definite conclusions can yet be reached as to their effectiveness in assisting Yugoslavia's adjustment.

b. Investment Program.

The IBRD study assumed explicitly that no major new investment programs requiring substantial imports of capital goods would be undertaken after the expected completion of the major portion of the key investment program in 1955. This assumption is closely related to the assumption that the West will not cover Yugoslav trade deficits after 1954-55, and that after that time imports will have to be paid for from Yugoslavia's own resources. Recent government statements have indicated that even though the overall level of investment is not to be reduced, the allocation of investments among sectors will be altered -- with a shift from heavy to light industries and agriculture -- so as to reduce the need for imported capital goods. In view of the Yugoslavs' inclination for dramatic achievements as opposed to gradual changes there is, however, some danger that new investments may be channeled to too great an extent into large-scale projects requiring imported

* For example, in June 1953, the US Embassy in Belgrade was approached by Yugoslav officials and presented with a plan which purported to show that if \$60 million of additional aid were extended in 1953-54, Yugoslav foreign accounts could be balanced in 1954-55. This seemed like a "sales-talk" for more assistance in fiscal 1953-54, based on a very optimistic appraisal of Yugoslav capabilities.

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capital goods, rather than into smaller projects in agriculture and the light industries which could be largely equipped from domestic output. It appears quite certain that Yugoslavia will not be in a position to earn enough foreign exchange in the next 2 or 3 years to support a sizable new investment program in addition to providing for its current needs and debt-servicing charges. Capital goods imports cannot, of course, be entirely eliminated, as the need for some replacements will continue. All things considered, a reduction of capital goods imports from about \$100 million in 1951-52 to \$50 million in 1955-56, as assumed in the IBRD projection, seems reasonable.

c. MDAP Support Problem.

The IBRD balance of payments projection does not consider the consequences of the Yugoslavs assuming the burden of MDAP support needs. This does not, however, appear to be a serious omission for the period under consideration. Under present arrangements, these support needs are largely financed under our military assistance program, the only important exceptions being some petroleum requirements. It appears that this arrangement will continue in effect through 1955-56, but it is desirable to consider briefly the effects of a possible curtailment or elimination of US financing of MDAP support needs on the Yugoslav balance of payments.

A very rough estimate of imports required to support the MDAP program in 1955-56 amounts to \$55 million.* Since US policies

* This estimate was arrived at as follows: The total support needs of the MDAP program (replacements, spares, ammunition and fuel) in fiscal year 1954-55, as estimated by the US Military Assistance Staff in Yugoslavia, amounts to a total of approximately \$90 million for domestic and imported goods. Deliveries under the MDAP have run considerably behind schedule. Up to 31 July 1953, goods valued at \$246 million were delivered out of a program of \$603.5 million (plus an additional \$74.7 million which had not yet been finally approved). The estimate of \$90 million appears very high in view of the delay in deliveries, and is twice as high as a previous estimate by the same group. As an approximation to the order of magnitude of the problem, it can be assumed that the support needs for 1954-55 will be between the two estimates, perhaps about \$65 million, and the increase from 1954-55 to 1955-56 will be \$10 million. Assuming further that about 75 percent of these requirements would be imports (80 percent of the estimated

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aim to shift the financial burden of supporting MDAP equipment to the recipient countries as soon as practicable, there is some chance of change in the present arrangement for Yugoslavia by 1955-56, although this chance seems slight. If there should be a curtailment of MDAP support-needs financing and no curtailment of the Yugoslav military program, this would impose a significant, additional burden on their balance of payments.

d. Debt Servicing.

The IBRD projection involves a trade and invisible surplus of \$30 to \$35 million available for debt service in 1955-56. On the basis of present contractual arrangements, Yugoslavia is to pay about \$48 million of principal on loans, credits, and nationalization debts in that year, in addition to interest payments of about \$9 million.* It has been estimated that approximately \$5 million additional will be required to reduce swing credit balances. Furthermore, if some payments due in 1953-54 and 1954-55 are postponed, some part of these payments may become due in 1955-56, and the debt-servicing burden in that year would then be larger than the approximate \$62 million which will be payable under present arrangements. On the other hand, if sizable obligations are refunded before 1955-56, with postponement of payments until after that year, the payments due in 1955-56 may be reduced considerably. Furthermore, any new loans obtained by Yugoslavia would affect both the availabilities and requirements for debt servicing.

3. Outlook through 1955-56.

As indicated above, Yugoslavia has had a deficit in its balance of trade and services during each year of the postwar period. In 1953-54 this deficit is expected to be about \$85 million, of which almost 90 percent will be covered by foreign aid. If a balance of payments projection for 1954-55 analogous to the IBRD projection for 1955-56 were attempted, it is likely that it would indicate a negative

support needs are for spares and replacements, most of which probably could not be produced in Yugoslavia in the near future, while 20 percent is for fuel and ammunition about half of which might be supplied domestically), the rough estimate of \$55 million indicated in the text is arrived at.

* See Table 7, p. 28, above.

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balance on trade and services of the rough order of magnitude of \$40 million, on the assumption that MDAP support needs will continue to be financed by the US. Since total debt charges in 1954-55, on the basis of present arrangements, will amount to about \$86 million, or \$25 million more than in 1955-56,* it appears that without some foreign aid, Yugoslavia would have real difficulty in balancing its foreign accounts in 1954-55, assuming a satisfactory volume of imports.

As indicated above, Yugoslavia should be in a better position to balance its foreign accounts in 1955-56. Adjustments to a withdrawal of aid will be required. But, in the absence of serious drought, it is probable that these adjustments can be made without seriously threatening the Yugoslav economy and, therefore, without jeopardizing the aims of Western aid to Yugoslavia.

* Table 7, p. 28, above.

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APPENDIX

STATISTICAL TABLES

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Table 12
Foreign Aid Programs and Shipments a/*
1951-54

	Million US \$			
	Calendar Year 1951	Fiscal Year 1952	Fiscal Year 1953	Fiscal Year 1954
Tripartite Aid Program				
US				
Pipeline, Beginning of Period	0	26.7	22.4	31.0
New Aid Allotment	61.50	80.25	121.75	45.0
Total Aid Available	61.50	106.95	144.15	76.0
Paid Shipments of Aid-Financed Imports	49.08	84.55	113.15	61.0
Pipeline, End of Period	12.42	22.4	31.0	15.0
UK				
Pipeline, Beginning of Period	0	0	2.81	1.3
New Aid Allotment	11.50	27.60	12.60	8.4
Total Aid Available	11.50	27.60	15.41	9.7
Paid Shipments of Aid-Financed Imports	8.79	24.79	14.11	8.4
Pipeline, End of Period	2.71	2.81	1.3	1.3
France				
Pipeline, Beginning of Period	0	0	4.13	2.6
New Aid Allotment	6.00	14.40	8.40	5.6
Total Aid Available	6.00	14.40	12.53	8.2
Paid Shipment of Aid-Financed Imports	3.85	10.27	9.93	5.6
Pipeline, End of Period	2.15	4.13	2.6	2.6

* Footnotes for Table 12 follow on p. 47.

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Table 12

Foreign Aid Programs and Shipments a/
1951-54
(Continued)

	Million US \$			
	Calendar Year 1951	Fiscal Year 1952	Fiscal Year 1953	Fiscal Year 1954
Total				
Pipeline, Beginning of Period	0	26.7	29.34	34.9
New Aid Allotment	79.00	122.25	142.75	59.0
Total Aid Available	79.00	148.95	172.09	93.9
Paid Shipments of Aid-Financed Imports	61.72	119.65	137.19	75.0
Pipeline, End of Period	17.28	29.3	34.90	18.9
Net Use of Pipeline b/	-17.28	-8.2	-5.56	+16.0
Total Foreign Aid Paid Shipments				
Tripartite Aid Program	61.72	119.65	137.19	75.0
US Food Program	62.19	5.78	0	0
US CARE Program	23.59	2.11	0	0
French Food Grant	0.95	0	0	0
Belgium Food Grant	0.16	0	0	0
Total	148.61	127.54	137.19	75.0

a. Foreign Operations Administration.

b. Net of arrivals over new aid allotment (Depletion of pipeline shown as +; accretion to pipeline, as -). The difference between the data in this table and those in Table 1, p. 12, above, is largely due to the inclusion of specific grants in the fiscal year in which they were actually made, rather than in the fiscal year in which they are likely to be used, as is the case in Table 1.

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Table 13
Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/*
1951-59

Types of Loans or Credit b/	Million US \$							
	Outstanding 1 Jan 1951	Repaid Jan-Jun 1951	Outstanding 1 Jul 1951	Repaid Jul-Dec 1951	Outstanding 1 Jan 1952	Repaid Jan-Jun 1952	Outstanding 1 Jul 1952	Repaid Jul-Dec 1952
Nationalized Property Debt	36.80	1.61	50.22	1.53	48.69	1.87	46.82	(1.08) c/
Prewar Public Debt to France	N.A.	0.19	N.A.	0.18	N.A.	0.50	N.A.	0.70
Swing Credits d/	53.75	6.46	54.14	17.19	37.82	8.89	36.30	6.70
Loans and Credits								
Austrian Investment Credit	10.00	0.00	10.00	0.00	10.00	0.00	10.00	0.00
Belgian Investment Credit	14.00	0.00	14.00	2.60	11.40	0.20	11.20	0.30
Belgian Commercial Credit	6.00	.64	5.36	.15	5.21	1.80	3.41	0.60
Belgian Cokeries	8.04	4.48	3.20	2.20	1.00	0.80	0.20	0.20
Egypt Cotton Advance					2.19	0.00	5.63	0.60
French Military Credit	35.00	0.00	35.00	0.00	35.00	0.10	43.90	(1.40)
German Medium-Term Credit			15.00	0.00	15.00	13.90	1.10	(1.10)
German Short-Term Credit								
German Kolubara-Strnisee Credit	1.50	1.00	0.50	0.50	0.00	0.00	28.00	0.00
IBRD Timber Loan								
IBRD \$28 Million Loan								
IBRD \$30 Million Loan	2.63	0.00	2.63	1.32	1.31	1.20	0.00	0.00
Netherlands (Ships)					1.58	0.00	1.58	0.00
Netherlands (Special)					0.28	0.00	0.28	0.00
Norwegian Food Credit	6.91	0.00	6.91	0.00	6.91	0.00	6.91	(0.61)
Swiss Credit (I)								
Swiss Credit (II)								
Turkish Wheat Credit	22.40	0.00	22.40	0.00	22.40	0.00	22.40	9.49
UK £3 Million Credit	2.96	2.71	0.25	0.25	0.00	0.00	0.00	0.00
UK Timber Advance	8.40	0.00	8.40	0.00	8.40	0.00	8.40	0.00
UK £3 Million Credit					5.60	0.00	5.60	0.00
UK £2 Million Credit					11.20	0.00	11.20	0.00
UK £4 Million Credit					55.00	0.00	55.00	0.00
US Export-Import Bank	55.00	0.00	55.00	0.00	55.00	0.00	55.00	0.00
US Chase National Bank Wheat Credit								
Canadian Wheat Credit								
Total	172.84	8.83	195.73	7.02	220.48	18.00	214.81	4.81
							239.77	12.64

* Footnotes for Table 13 follow on p. 53.

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Table 13
Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/
1951-59
(Continued)

Types of Loans or Credit b/ Revolving or Secured Credits	Million US \$							
	Outstanding 1 Jan 1951	Repaid Jan-Jun 1951	Outstanding 1 Jul 1951	Repaid Jul-Dec 1951	Outstanding 1 Jan 1952	Repaid Jan-Jun 1952	Outstanding 1 Jul 1952	Repaid Jul-Dec 1952
Bank of International Settlements (Secured)	3.50	0.00	3.50	0.00	5.50	4.05	1.45	0.00
International Monetary Fund (Secured)	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00
UK Revolving Credits								
Banks	4.00	0.26	10.52	0.00	10.52	.58	9.94	0.00
Exporters	3.78	3.02	2.34	2.32	2.20	1.32	1.40	0.00
US Chase National Bank			1.71	1.82	1.93	1.93	0.00	0.60
Sweden					0.40		0.40	
Total	20.28	3.28	27.07	4.14	29.55	7.88	22.19	0.00
Total Indebtedness	283.67		327.16		336.54		320.12	
Total Principal Payments		20.37		30.06		37.14		13.29
Total Interest Payments		1.86		2.40		1.70		2.60
								19.17
								3.00

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Table 13

Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/
1951-59
(Continued)

Types of Loans or Credit b/	Million US \$							
	Outstanding Jul-Dec 1953	Repaid Jul-Dec 1953	Outstanding Jan-Jun 1954	Repaid Jan-Jun 1954	Outstanding Jul-Dec 1954	Repaid Jul-Dec 1954	Outstanding Jan-Jun 1955	Repaid Jan-Jun 1955
Nationalized Property Debt	44.77	2.08	42.69	(2.99)	39.70	2.35	37.35	2.41
Prewar Public Debt to France	N.A.	0.48	N.A.	0.47	N.A.	0.50	N.A.	0.50
Swing Credits d/	39.75	5.50	40.00	2.50	37.50	2.50	35.00	2.50
Loans and Credits								
Austrian Investment Credit	10.00	1.10	8.90	1.50	7.30	1.60	5.70	1.60
Belgian Investment Credit	10.60	0.70	9.90	0.00	9.90	(2.20)	7.70	1.40
Belgian Commercial Credit	2.81	0.00	2.81	0.00	2.81	2.81	0.00	0.40
Belgian Cokeries	3.40	0.00	3.40	0.00	3.40	(0.60)	2.80	0.40
Egypt Cotton Advance								
French Military Credit	7.05	0.23	6.82	0.30	6.52	0.60	5.92	2.10
German Medium-Term Credit	41.20	0.70	40.50	(10.30)	30.20	10.00	20.20	8.20
German Short-Term Credit		0.00						
German Kolubara-Strnisee Credit	5.20	0.00	5.20	0.00	5.20	1.60	3.60	0.00
IIRD Timber Loan								
IIRD \$28 Million Loan	28.00	0.00	28.00	0.00	28.00	0.00	28.00	0.40
IIRD \$30 Million Loan	30.00	0.00	30.00	0.00	30.00	0.00	30.00	0.00
Netherlands (Ships)								
Netherlands (Special)	1.58	0.00	1.58	0.53	1.05	0.53	0.52	0.07
Norwegian Food Credit	0.56	0.00	0.56	0.07	0.49	0.07	0.42	0.60
Swiss Credit (I)	6.30	1.40	4.90	0.60	4.30	0.60	3.70	0.00
Swiss Credit (II)	0.00	0.00	6.00	0.00	6.00	0.00	6.00	0.00
Turkish Wheat Credit	5.17	4.06	1.11	1.11	0.00	5.60	14.00	5.60
UK \$8 Million Credit	22.40	0.00	22.40	2.80	19.60	0.00	19.60	0.00
UK Timber Advance								
UK \$3 Million Credit	8.40	0.00	8.40	0.00	8.40	0.00	8.40	0.00
UK \$2 Million Credit	5.60	0.00	5.60	0.00	5.60	0.00	5.60	0.00
UK \$4 Million Credit	11.20	0.00	11.20	0.00	11.20	0.00	11.20	0.00
US Export-Import Bank	55.00	0.00	55.00	0.00	55.00	1.25	53.75	1.25
US Chase National Bank	8.00	4.50	3.50	3.50	0.00	0.00	0.00	0.00
Canadian Wheat Credit	8.64	8.64	0.00	0.00	0.00	0.00	0.00	0.00
Danish Food Credit	0.30	0.00	0.30	0.00	0.30	0.00	0.30	0.00
Total	271.41	21.33	256.08	20.81	235.27	27.46	207.81	26.14
							181.67	21.62

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Table 13
Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/
1951-59
(Continued)

Types of Loans or Credit b/ Revolving or Secured Credits	Million US \$							
	Outstanding 1 Jul 1953	Repaid Jul-Dec 1953	Outstanding 1 Jan 1954	Repaid Jan-Jun 1954	Outstanding 1 Jul 1954	Repaid Jul-Dec 1954	Outstanding 1 Jan 1955	Repaid Jan-Jun 1955
							Outstanding 1 Jul 1955	Repaid Jul-Dec 1955
Bank of International Settlements (Secured)	7.25	0.00	7.25	0.00	7.25	3.25	4.00	2.00
International Monetary Fund (Secured)	9.00		9.00	4.50	4.50	4.50		2.00
UK Revolving Credits								
Banks	9.94	2.78	8.22	8.22	2.76		2.76	2.76
Exporters	2.76	0.00	2.76	0.00				
US Chase National Bank								
Sweden	0.60	0.00	0.60	0.00	0.60	0.00	0.60	0.00
Total	29.55	2.78	27.83	12.72	15.11	7.75	7.36	2.00
Total Indebtedness	385.48		366.60		327.58		287.52	
Total Principal Payments		32.17		39.49		40.56		29.00
Total Interest Payments		4.30		4.30		4.50		4.50

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Table 13

Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/
1951-59
(Continued)

Types of Loans or Credit b/	Million US \$					
	Outstanding 1 Jan 1956	Repaid Jan-Jun 1956	Outstanding 1 Jul 1956	Repaid Jul-Dec 1956	Outstanding 1 Jan 1957	Repaid 1957
					1 Jan 1958	Outstanding 1 Jan 1959
Nationalized Property Debt	32.56	2.40	30.16	2.40	23.48	13.37
Prewar Public Debt to France	N.A.	0.50	N.A.	0.50	N.A.	1.00
Swing Credits d/	30.00	2.50	27.50	2.50	20.00	5.00
						10.11
						N.A.
						15.00
Loans and Credits						
Austrian Investment Credit	2.50	0.50	2.00	0.50	1.50	1.50
Belgian Investment Credit	4.90	1.40	3.50	1.40	2.10	2.10
Belgian Commercial Credit	2.00	0.40	1.60	0.40	1.20	0.80
Belgian Cokeries	2.42	2.10	0.32	0.32	0.40	0.40
Egypt Cotton Advance						
French Military Credit						
German Medium-Term Credit	3.00	0.60	2.40	0.00	2.40	0.60
German Short-Term Credit						
German Kolubara-Stalnise Credit						
IIRD Timber Loan	27.20	0.40	26.80	0.40	26.40	0.80
IIRD \$28 Million Loan	30.00	0.00	30.00	0.40	29.60	0.80
IIRD \$30 Million Loan						
Netherlands (Ships)						
Netherlands (Special)	0.28	0.00	0.28	0.14	0.14	0.14
Norwegian Food Credit	2.70	0.60	2.10	0.60	1.50	1.20
Swiss Credit (I)	6.00	0.50	5.50	0.50	5.00	1.00
Swiss Credit (II)						
Turkish Wheat Credit	2.80	1.40	1.40	1.40	0.00	0.00
UK \$8 Million Credit						
UK Timber Advance	8.40	1.40	7.00	1.40	5.60	2.80
UK \$3 Million Credit	5.60	0.84	4.76	0.84	3.92	1.96
UK \$2 Million Credit	11.20	1.68	9.52	1.68	7.84	3.92
UK \$4 Million Credit	51.25	1.50	49.75	1.50	48.25	3.00
US Export-Import Bank						
US Chase National Bank Wheat Credit						
Canadian Wheat Credit						
Total	160.25	13.32	146.93	11.48	135.45	20.62
					114.73	16.58
						98.25

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Table 13
Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/
1951-59
(Continued)

Types of Loans or Credit b/ Revolving or Secured Credits	Million US \$					
	Outstanding 1 Jan 1956	Repaid Jan-Jun 1956	Outstanding 1 Jul 1956	Repaid Jul-Dec 1956	Outstanding 1 Jan 1957	Repaid 1957
Bank of International Settlements (Secured)	0.00					
International Monetary Fund (Secured)		0.00				
UK Revolving Credits						
Banks						
Exporters						
US Chase National Bank						
Sweden						
Total	222.81		204.59	188.21	158.21	123.36
Total Indebtedness						
Total Principal Payments		18.72		16.88	30.90	35.95
Total Interest Payments		4.50		4.00	8.00	7.00

a. Department of State and Foreign Operations Administration.

b. The table does not include the following new credits amounting to about \$60 million negotiated by Yugoslavia after 1 July 1953: the increase of the German medium-term credit by \$16 million (\$12 million capital and \$4 million interest), the contract with Belgian and French banks for the development of Majdanpek and a cellulose pulp plant amounting to \$28 million, and the contract with an American firm and the Japanese Export-Import Bank for a viscose plant amounting to \$14 million.

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Table 13

Details of Yugoslav Foreign Debt, Amount, Composition, and Payments a/
1951-59
(Continued)

c. The data for this table came from various sources and certain inconsistencies inevitably arose. In order to preserve the internal consistency of the table repayment data were altered in certain cases and the figure was placed in parentheses.
d. It was assumed that beginning with January 1954, the swing credits would be reduced by \$5 million a year. This assumption, while being arbitrary, is based on the following two factors: (1) it is known that the Yugoslavs would like to keep the deficits in their swing credits at the present levels, but (2) some of their creditors have made it clear that they would force the Yugoslavs to reduce the deficit in the clearing account. Thus it was assumed that by balancing these two factors, a very gradual average reduction of only \$5 million a year would not be unrealistic.

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Table 14

Incurrence of Yugoslav Foreign Debt a/*
Pre-1950 and 1950-53

	Million US \$					
	Pre-1950	1950		1951		1953
		Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
Nationalized Property Debts						
Belgium	7.30					
Denmark			0.20			
France				15.00		
Israel b/				0.03		
Norway						
Sweden	8.33					
Switzerland	17.20					
UK	12.60					
Total Nationalized Property Debts	45.43		0.20	15.03		
Prewar Public Debts c/						
Loans and Credits						
Austrian Investment Credit			10.00			
Belgian Investment			14.00			
Belgian Commercial			6.00			
Belgian Cokeries						3.20
Egypt Cotton Advance		8.04				
French Military				2.19	2.87	
German Medium-Term			35.00		3.44	
German Short-Term				15.00	9.00	
German Kolubara-Stunisce						5.20
IBRD Timber	2.70					
IBRD No. 1					28.00	
IBRD No. 2						30.00
Netherlands, Ships						
Netherlands, Special Credit		2.63			1.58	
Norwegian, Food				0.28		
Swiss Credit No. 1	4.61	2.30				0.28

* Footnotes for Table 14 follow on p. 57.

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Table 14

Incurrence of Yugoslav Foreign Debt a/
Pre-1950 and 1950-53
(Continued)

	Million US \$							
	1950		1951		1952		1953	
	Pre-1950	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
Loans and Credits (Continued)								
Turkish Wheat Credit								
UK £8 Million Credit	22.40						9.66	5.00
UK Timber Advance		5.60	8.40					
UK £3 Million Credit								
UK £2 Million Credit				5.60				
UK £4 Million Credit				11.20				
US Export-Import Bank	20.00	20.00	15.00					
US Chase National Bank, Wheat							8.00	
Canada, Wheat							8.64	
Danish Food Credit								0.30
Total	<u>49.71</u>	<u>38.57</u>	<u>88.40</u>	<u>32.08</u>	<u>31.77</u>	<u>12.44</u>	<u>29.17</u>	<u>43.98</u>
Revolving and Secured Credits								
Bank of International Settlements		5.50					7.25	
International Monetary Fund	9.00							
UK								
Banks								
Exports	11.20							
US Chase National Bank				5.00	0.40		0.20	
Sweden								
Total	23.00	5.50	0	5.00	0.40	0	7.45	0

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Table 14

Incurrence of Yugoslav Foreign Debt a/
Pre-1950 and 1950-53
(Continued)

	Million US \$							
	1950		1951		1952		1953	
	Pre-1950	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
Summary								
Nationalized Property Debts	45.43	0	0.20	15.03	0	0	0	0
Loans and Credits	49.71	38.57	88.40	32.08	31.77	12.44	29.17	43.98
Revolving and Secured Credits	23.00	5.50	0	5.00	0.40	0	7.45	0
Total	118.14	44.07	88.60	52.11	32.17	12.44	36.62	43.98
Swing Credits	N.A.	N.A.	N.A.	6.85	0.87	7.37	15.31	
Total Debt				58.96	33.04	19.81	51.93	43.98

a. Department of State and Foreign Operations Administration.

b. Date of signature of agreement not known, total amount depends on rate of Jewish emigration from Yugoslavia to Israel.

c. Various agreements regarding the prewar public debt were signed in 1950 and 1951. Total amounts agreed upon are not known.

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Table 15
Yugoslav National Accounts and Population Data a/*
1951-54

	Fiscal Year 1951-52 b/	Fiscal Year 1952-53 b/	Fiscal Year 1953-54 b/
National Accounts (Thousand US \$)			
GNP (at Market Prices)	3,730.0	3,305.0	3,810.0
Index of GNP per Employed Civil- ian Laborer c/ (1951-52 = 100)	100.0	89.6	101.0
Net Balance of Trade and Services in All Currencies d/ Total Availabilities e/	-88.0 3,818.0	-219.0 3,524.0	-85.0 3,895.0
Personal Consumption	1,880.0	1,698.0	2,043.0
As Percent of Total Availabilities Per-Capita Consumption (Dollars) Index of Per-Capita Consumption (1951-52 = 100)	49.2 112.6 100.0	51.4 100.5 89.3	52.5 118.8 105.5
Public and Private Investment (Gross)	906.0	840.0	942.0
As Percent of Total Availabilities	23.7	25.4	24.2
Total Government Services	1,032.0	986.0	910.0
Nondefense Defense	408.0 624.0	386.0 600.0	310.0 600.0
As Percent of Total Availabilities	16.3	17.0	15.4

* Footnotes for Table 15 follow on p. 59.

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Table 15
Yugoslav National Accounts and Population Data a/
1951-54
(Continued)

	Fiscal Year 1951-52 b/	Fiscal Year 1952-53 b/	Fiscal Year 1953-54 b/
Population and Employment			
Population (as of Middle of Fiscal Year) (Millions)	16.7	16.9	17.2
Civilian Labor Force (Millions)	9.2	9.2	9.3
Employed	9.2	9.1	9.3
Unemployed		0.1	
As Percent of Civilian Labor Force			1.1

- a. Foreign Operations Administration.
b. GNP and its components were estimated on basis of calendar year Social Plans: fiscal year 1951-52 on basis of 1952 Social Plan, fiscal year 1952-53 on basis of 1953 Social Plan, 1953-54 FOA estimate.
c. GNP divided by Employed Civilian Labor Force.
d. Net balance for trade and services is on fiscal year basis.
e. GNP minus Net Balance of Trade and Services in All Currencies or Personal Consumption plus Public and Private Investment (Gross) plus Total Government Services.

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Table 16

Selected Data on Yugoslav Mining, Industry, and Transportation a/*
1939-52

	Unit	1939	1946	1948	1950	1951	1952	1951 Plan	
								Original b/	Revised c/
Mining Production									
Coal Output									
Bituminous	Million Metric Tons	1.4	0.8	1.0	1.2	1.2	1.0	N.A.	N.A.
Brown Coal	Million Metric Tons	4.3	3.8	6.3	7.2	6.9	6.8	N.A.	N.A.
Lignite	Million Metric Tons	1.3	2.2	3.4	4.5	4.1	4.3	N.A.	N.A.
Total, All Types	Million Metric Tons	7.0	6.8	10.7	12.9	12.0	12.1	16.5	14.9
Crude Oil Output	Thousand Metric Tons	1.1	28.8	36.5	111.3	155.6	151.5	450.0	140.0
Metal Ores									
Iron Ore	Thousand Metric Tons	666.8	394.6	864.5	825.9	581.4	676.0	1,500.0	800.0
Copper Ore	Thousand Metric Tons	983.9	645.8	1,049.7	1,115.8	1,173.2	1,265.0	N.A.	1,200.0
Lead-Zinc Ore	Thousand Metric Tons	755.6	617.7	850.7	1,186.7	1,188.6	1,203.8	N.A.	1,364.0
Bauxite	Thousand Metric Tons	718.6	55.2	136.5	200.9	453.4	577.2	N.A.	N.A.
Manganese Ore	Thousand Metric Tons	5.7	7.5	12.8	13.3	12.9	12.7	N.A.	N.A.
Chrome Ore	Thousand Metric Tons	44.9	93.7	62.6	114.7	99.6	107.2	N.A.	100.0
Antimony Ore	Thousand Metric Tons	19.0	30.5	34.7	80.5	55.1	74.6	N.A.	N.A.
Pyrite Ore	Thousand Metric Tons	128.0	48.6	90.7	30.9	40.2	20.7	N.A.	N.A.
Pyrite Concentrates	Thousand Metric Tons	78.1	N.A.	175.9	86.2	113.5	167.4	N.A.	N.A.

* Footnotes to Table 16 follow on p. 67.

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Table 16

Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

	Unit	1939	1946	1948	1950	1951	1952	1951 Plan	
								Original b/	Revised c/
Heavy Industry Production									
Power and Fuels									
Electric Power	Billion Kilowatt Hours	1.1	1.1	2.0	2.4	2.5	2.7	4.35	3.0
Thermal	Billion Kilowatt Hours	0.6	0.6	1.0	1.2	1.2	1.3	N.A.	N.A.
Hydro	Billion Kilowatt Hours	0.5	0.5	1.0	1.2	1.3	1.4	N.A.	N.A.
Coal, All Types	Million Metric Tons	7.0	6.8	10.7	12.9	12.0	12.1	16.5	14.9
Crude Oil	Thousand Metric Tons	1.1	28.8	36.5	111.3	155.6	151.5	450.0	140.0
Petroleum Products	Thousand Metric Tons	97.4	21.3	133.7	475.0	503.6	516.7	N.A.	N.A.
Metallurgical Industry									
Ferrous Metallurgy									
Pig Iron	Thousand Metric Tons	101.0	84.0	172.0	212.0	248.0	273.0	550.0	262.0
Crude Steel	Thousand Metric Tons	235.0	202.0	368.0	428.0	434.0	442.0	760.0	468.0
Rolled Products	Thousand Metric Tons	151.0	112.0	247.0	278.0	301.0	293.0	570.0	N.A.
Drawn Products	Thousand Metric Tons	2.5	0.2	11.4	11.9	13.6	11.8	N.A.	N.A.
Nonferrous Metallurgy									
Copper, Blister	Thousand Metric Tons	41.6	21.7	36.9	40.1	32.0	32.8	40.0	37.0
Copper, Electrolytic	Thousand Metric Tons	12.5	12.9	14.4	14.7	14.0	21.4	36.0	N.A.
Lead, Refined	Thousand Metric Tons	10.6	32.6	49.2	57.2	60.1	67.2	65.0	77.0
Zinc, Refined	Thousand Metric Tons	4.2	3.2	6.4	10.8	13.2	14.5	20.0	13.1
Antimony, Regulus	Thousand Metric Tons	1.5	1.2	1.5	1.8	1.2	1.3	1.3	1.5
Aluminum	Thousand Metric Tons	1.7	0.6	1.9	1.9	2.8	2.6	13.0	2.8
Mercury	Thousand Metric Tons	0.3	0.3	0.4	0.5	0.5	0.5	N.A.	N.A.
Bismuth	Metric Tons	N.A.	N.A.	51.0	60.5	87.8	98.7	N.A.	N.A.
Silver	Metric Tons	1.0	N.A.	46.8	74.2	94.3	80.2	N.A.	N.A.

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Table 16

Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

	Unit	1939	1946	1948	1950	1951	1952	1951 Plan	
								Original b/	Revised c/
Heavy Industry Production (Continued)									
Metalworking and Engineering									
Foundry Production									
Steel Castings	Thousand Metric Tons	N.A.	N.A.	6.2	8.2	9.2	10.5	N.A.	N.A.
Iron Castings	Thousand Metric Tons	N.A.	N.A.	49.1	69.2	66.4	54.6	N.A.	N.A.
Machinery and Equipment									
Metalworking Machinery									
Construction Machinery	Thousand Metric Tons	0.1	N.A.	0.6	1.6	1.3	2.0	N.A.	N.A.
Boilers	Thousand Metric Tons	0.05	0.1	1.3	1.3	1.7	1.0	N.A.	N.A.
Turbines	Thousand Metric Tons	0.1	0.6	1.9	4.3	3.0	2.4	N.A.	N.A.
Railroad Freight Cars	Thousand Metric Tons	0	0	0.2	0.2	0.2	N.A.	N.A.	N.A.
Trucks	Units	26.0	10.0	87.0	56.0	28.0	N.A.	5,500.0 d/	N.A.
Tractors	Units	0	0	472.0	826.0	803.0	699.0	N.A.	N.A.
Agricultural Machines	Units	0	0	0	53.0	840.0	N.A.	1,500.0	N.A.
Roller Bearings	Thousand Metric Tons	3.0	1.8	7.6	10.7	11.5	9.7	34.0	N.A.
	Metric Tons	0	0	0	30.0	49.0	87.0	N.A.	N.A.
Electrical Equipment									
Rotary Machines	Thousand Kilowatts	4.3	8.4	79.8	105.1	118.2	259.5	135.0	N.A.
Rotary Machines	Thousand Units	N.A.	3.2	17.1	26.1	34.8	47.7	N.A.	N.A.
Transformers, 3-Phase	Thousand Kilovolt-Amperes	N.A.	3.8	77.1	114.5	297.7	411.1	360.0	N.A.
Transformers, 3-Phase	Thousand Units	N.A.	0.1	0.8	0.4	1.0	0.9	N.A.	N.A.
Dynamo Wire	Metric Tons	N.A.	84.0	405.0	501.0	467.0	530.0	N.A.	N.A.
Electric Cables	Thousand Metric Tons	N.A.	3.2	5.9	6.4	6.3	4.8	10.0	N.A.
Measuring Instruments	Thousand Units	N.A.	0	30.7	72.2	58.0	104.9	N.A.	N.A.

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Table 16
Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

	Unit	1951 Plan						
		1939	1946	1948	1950	1951	1952	Original b/ Revised c/
Heavy Industry Production (Continued)								
Chemicals								
Sulfuric Acid	Thousand Metric Tons	14.1	26.1	45.5	40.4	40.9	32.3	92.0 N.A.
Hydrochloric Acid	Thousand Metric Tons	N.A.	0.8	3.8	3.9	3.9	4.0	N.A. N.A.
Calcined Soda	Thousand Metric Tons	22.0	20.7	35.1	31.9	30.5	33.0	50.0 N.A.
Caustic Soda	Thousand Metric Tons	14.5	6.0	18.6	18.6	19.1	20.4	35.0 N.A.
Calcium Carbide	Thousand Metric Tons	63.6	15.5	41.1	40.6	37.8	39.7	126.0 N.A.
Copper Sulfate	Thousand Metric Tons	12.8	12.5	20.3	13.7	17.0	14.4	22.0 N.A.
Chemical Fertilizers	Thousand Metric Tons	72.8	51.9	79.6	66.5	58.7	69.7	350.0 62.0
Plastics	Thousand Metric Tons	0	0	0	0	1.6	2.8	5.0 N.A.
Synthetic Rubber	Thousand Metric Tons	0	0	0	0	0	0	10.0 N.A.
Building Materials								
Cement	Million Metric Tons	0.9	0.4	1.2	1.2	1.2	1.3	2.2 1.5
Plate Glass	Million Square Meters	1.7	1.7	2.5	2.2	3.8	3.4	4.6 N.A.
Other Glass	Thousand Metric Tons	12.0	11.0	17.3	17.4	19.4	20.3	30.0 N.A.
Magnesite Crude	Thousand Metric Tons	24.2	12.6	51.7	59.3	89.9	37.8	156.0 N.A.
Asbestos Fiber	Thousand Metric Tons	0	0	2.9	1.0	1.5	2.5	16.0 N.A.
Electro-Porcelain	Thousand Metric Tons	0.3	N.A.	0.5	0.9	1.2	1.0	N.A. N.A.
Bricks	Million Units	639.0	274.0	665.0	904.0	526.0	550.0	1,376.0 N.A.
Tiles	Million Units	192.0	147.0	248.0	243.0	191.0	190.0	586.0 N.A.

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Table 16
Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

	Unit	1939	1946	1948	1950	1951	1952	1951 Plan	
								Original b/	Revised c/
Heavy Industry Production (Continued)									
Timber and Paper									
Sawn Timber	Million Cubic Meters	N.A.	1.0	3.1	3.0	2.3	2.1	1.65	3.4
Veneers and Boards	Thousand Cubic Meters	N.A.	N.A.	26.7	28.9	28.2	27.7	N.A.	N.A.
Veneered Panels	Thousand Cubic Meters	N.A.	N.A.	N.A.	N.A.	6.6	6.2	N.A.	N.A.
Plywood	Thousand Cubic Meters	18.5 e/	N.A.	15.3	14.0	13.9	14.9	48.4	N.A.
Other	Thousand Cubic Meters	N.A.	N.A.	N.A.	N.A.	7.7	6.6	N.A.	N.A.
Insulating Boards	Thousand Square Meters	N.A.	N.A.	660.0	795.0	918.0	668.0	N.A.	N.A.
Wood Pulp	Thousand Metric Tons	5.6	7.4	13.7	19.2	21.0	15.0	63.0	N.A.
Cellulose	Thousand Metric Tons	35.6	12.3	22.1	26.5	31.5	34.2	87.0	N.A.
Cardboard and Paper	Thousand Metric Tons	50.2	32.3	55.2	57.1	55.9	49.2	145.0	N.A.
Light Industry Production									
Durable Consumer Goods									
Metal Furniture	Thousand Metric Tons	N.A.	N.A.	N.A.	N.A.	3.0	4.0	N.A.	N.A.
Kitchen Utensils	Thousand Metric Tons	N.A.	N.A.	N.A.	7.2	6.5	5.6	N.A.	N.A.
Radio Sets	Thousand Units	0	0	23.1	26.0	25.5	26.3	150.0	N.A.
Light Bulbs	Million Units	1.2	1.2	4.4	3.8	4.7	5.6	7.8	N.A.

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Table 16

Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

Unit	1939	1946	1948	1950	1951	1952	1951 Plan	
							Original b/	Revised c/
Light Industry Production (Continued)								
Textiles, Leather, Rubber								
Cotton Yarn	23.0	21.4	28.6	29.9	26.9	25.9	47.4	33.3
Woolen Yarn	6.0	6.7	13.0	13.1	13.1	10.3	N.A.	N.A.
Cotton Fabric	N.A.	77.4	161.5	144.4	122.8	111.9	N.A.	N.A.
Woolen Fabric	N.A.	15.7	26.0	24.4	23.3	20.0	N.A. f/	N.A.
Artificial Silk	N.A.	N.A.	N.A.	N.A.	4.2	6.8	N.A.	N.A.
Sole Leather	7.6	4.8	10.4	11.6	10.3	8.2	N.A.	N.A.
Upper Leather	2.0	1.9	2.5	2.8	2.6	2.3	N.A.	N.A.
Footwear, Total	12.8	8.7 e/	16.1	17.7	16.0	13.1	15.6	N.A.
Leather	6.9	6.3	9.5	10.7	8.3	5.4	8.0	N.A.
Rubber	5.9	2.4 e/	6.6	7.0	7.7	7.7	7.6	N.A.
Tires, Motor Vehicle	7.9	4.1	35.8	53.6	63.0	55.2	160.0	N.A.
Tires, Bicycle	276.0	157.0	580.0	677.0	188.5	106.0	2,640.0	N.A.
Food, Tobacco, and other								
Sugar, Refined	107.6	70.7	162.4	84.9	201.1	57.6	230.0	N.A.
Starches	N.A.	N.A.	7.6	9.4	9.4	9.4	N.A.	N.A.
Edible Oil	24.4	N.A.	N.A.	25.0	20.1	19.2	75.0	N.A.
Beer	0.4	0.6	1.2	1.1	1.2	0.9	1.0	N.A.
Fermented Tobacco	16.5	N.A.	39.0	21.3	15.4	24.4	46.0	N.A.
Tobacco Products	10.8	9.6	16.9	19.3	14.1	12.6	N.A.	N.A.
Soap (60 Percent Fat)	11.7	13.1	12.3	14.6	16.7	21.2	N.A.	N.A.

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Table 16

Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

	Unit	1951 Plan							
		1939	1946	1948	1950	1951	1952	Original b/	Revised c/
Transportation and Communications									
Railways									
Passengers Carried	Millions	58.3	78.4	136.4	179.0	169.5	104.3	90.0	N.A.
Freight Carried	Million Metric Tons	21.1	19.5	36.2	46.1	41.9	37.9	53.2	N.A.
Freight Turnover	Billion Ton-Kilometers	4.8	3.5	7.4	9.9	8.7	8.4	10.5	N.A.
Maritime Transport									
Passengers Carried	Millions	N.A.	N.A.	4.0	3.6	2.9	2.1	N.A.	N.A.
Freight Carried	Million Metric Tons	3.3 e/	N.A.	1.9	2.5	2.8	3.1	6.2	N.A.
Freight Turnover	Billion Ton-Miles	10.1 e/	N.A.	3.3	4.2	6.1	6.6	16.0	N.A.
River Transport									
Passengers Carried	Millions	N.A.	1.0	1.7	1.7	2.6	1.5	N.A.	N.A.
Freight Carried	Million Metric Tons	3.1 e/	1.3	2.6	3.1	3.4	3.4	3.5	N.A.
Freight Turnover	Million Ton-Kilometers	N.A.	241.0	537.0	471.0	578.0	631.0	N.A.	N.A.
Air Transport									
Passengers Carried	Thousands	12.7	10.1	27.7	66.6	86.7	61.3	160.0	N.A.
Freight Carried	Metric Tons	185.0	101.0	293.0	669.0	801.0	605.0	N.A.	N.A.
Communications									
Letters Carried	Millions	581.4	424.0	664.3	784.9	632.7	436.4)	650.0	N.A.
Parcels Carried	Millions	5.3	3.0	6.7	8.0	6.5	4.0)		
Telegrams	Millions	4.3	3.6	5.7	7.5	6.0	2.9	5.0	N.A.
Phone Calls	Millions	164.5	124.3	240.3	268.1	247.7	203.7	N.A.	N.A.

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Table 16

Selected Data on Yugoslav Mining, Industry, and Transportation a/
1939-52
(Continued)

- a. Except where otherwise noted, figures are from the following sources: 1939-52, Indeks (Monthly Review of Yugoslav Economic Statistics), Belgrade, various issues, 1951-1953; 1951 Plan, Original Five Year Plan, Yugoslavia, Belgrade, 1947; 1951 Plan, Revised, IBRD, Report on the Economy and Creditworthiness of Yugoslavia, 1 October 1951. U. (Report marked Restricted-Not for Publication.)
- b. These are the goals originally set for 1951 in 1947, when the Yugoslav Five Year Plan was inaugurated.
- c. These represent revisions of the 1951 goals as reported to the IBRD in April 1949.
- d. 1951 Plan given in 2-axle units.
- e. Figures from the Yugoslav Five Year Plan.
- f. Five Year Plan gives the 1951 goal as 250 million meters, but does not state it in terms of square meters. In the revised goals presented to the IBRD, the figure of 151 million meters is given, but it is not clear whether this refers to linear meters or square meters.

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Table 17

Production of Grains in Yugoslavia a/
1935-39 Average and 1950-53

Thousand Metric Tons

Estimates by Yugoslav Government

	<u>1935-39 Average</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
Corn	4,469	2,084	4,033	1,470	4,200 <u>b/</u>
Wheat	2,633	1,827	2,277	1,677	2,700 <u>b/</u>
Rye	216	219	277	225	350 <u>b/</u>
Barley	405	266	358	257	450 <u>b/</u>

Estimates by US Department of Agriculture

Corn	4,486 <u>c/</u>	2,540	4,320	2,030	4,320
Wheat	2,660 <u>c/</u>	2,040	2,500	2,040	2,600
Rye	216 <u>c/</u>	178	229	200	275
Barley	409 <u>c/</u>	348	414	350	425

a. Generally, the USDA estimates of postwar production are higher than the Yugoslav estimates. The following two factors are the primary bases for the higher US figures. First, Yugoslav official land use tabulations apparently overstate uncultivated plowland and also indicate a considerable decrease in total plowland area as compared to prewar figures. After adjusting these plowland figures, it is thought that more land is devoted to grain than is indicated in official statistics. Second, food balances calculated within the US for the postwar years indicate that the levels of food consumption, particularly in the drought years, could not have been maintained on the basis of official Yugoslav estimates of grain production plus imports.

b. Rough estimates by US Embassy, Belgrade.

c. Prewar Yugoslav figures plus estimates for added territory.

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Table 18

Yugoslav Balance of Payments a/*
1946-54

	Million US \$									
	1946	1947	1948	1949	1950	1951	Fiscal Year 1951-52	Fiscal Year 1952-53	Fiscal Year 1953-54	
Payments (-)										
Imports (CIF) b/	268.5	279.5	378.0	332.9	286.6	434.9	361.1	408.0	330.0	
Net Balance for Services	0.6	2.2	1.0	c/	c/	c/	c/	c/	c/	
Capital Payments	15.4	32.8	36.0	11.3	4.9	38.0	60.1	30.0	40.0	
Payments Agreements (Net)	15.4	c/	c/	c/	c/	16.9	19.8	c/	c/	
Amortization and Repayments	N.A.	N.A.	N.A.	c/	3.0	1.5	40.3	30.0	40.0	
Other Capital Payments	c/	32.8 d/	36.0	11.3 e/	1.9	19.6				
Building-Up of Reserves (Net) f/	7.3	c/	2.6	c/	11.5	c/	13.0	c/	c/	
Receipts (+)										
Exports g/	57.0	172.7	321.5	191.9	160.7	184.5	263.7	183.0	237.0	
Net Balance for Services	c/	c/	c/	6.0	6.5	12.0	9.4	8.0	9.0	
Donations and Capital Receipts (Excluding Foreign Aid)	24.4	73.8	95.6	88.8	132.1	124.9	31.7	97.0	42.0	
Private Donations and Capital Reparation Receipts	15.6	28.3	19.7	19.6	26.8	29.5	N.A.	N.A.	N.A.	
Payments Agreements (Net)	4.8	35.0	50.4	15.7	15.7	35.4	7.3	c/	c/	
Loans and Credits h/	c/	10.5	10.5	19.1	22.9	c/	c/	7.0	c/	
Other Capital Receipts	c/	c/	c/	8.0	51.9	45.8	24.4	90.0	42.0	
	3.8	c/	15.0	26.4 i/	14.8	14.2	c/	c/	c/	
Foreign Aid j/	220.0	63.0	4.6	5.9	8.6	151.7	127.5	137.0	75.0	
Drawing Down of Reserves (Net) f/	c/	19.1	c/	45.6	c/	0.7	c/	13.0	7.0	
Errors and Omissions	-9.4	-14.1	-4.1	+6.0	-4.8	-0.9	+1.9	c/	c/	

* Footnotes for Table 18 follow on p. 70.

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Table 18

Yugoslav Balance of Payments a/
1946-54
(Continued)

	1946	1947	1948	1949	1950	1951	Fiscal Year 1951-52	Fiscal Year 1952-53	Fiscal Year 1953-54
	Million US \$								
Summary									
Net Balance of Trade and Services	-212.1	-109.0	-57.5	-135.0	-119.4	-238.4	-88.0	-217.0	-84.0
Balancing Items									
Net Capital Balance									
(Excluding Foreign Aid)	+8.8	+41.0	+59.6	+77.5	+127.2	+86.9	-28.4	+67.0	+2.0
Foreign Aid	+220.0	+63.0	+4.6	+5.9	+8.6	+151.7	+127.5	+137.0	+75.0
Use of Reserves (-Build-Up + Drawing Down)	-7.3	+19.1	-2.6	+45.6	-11.5	+0.7	-13.0	+13.0	+7.0
Errors and Omissions	-9.4	-14.1	-4.1	+6.0	-4.8	-0.9	+1.9	c/	c/

a. 1946-49, Balance of Payments Yearbook, Vol. 4; 1950-51, International Monetary Fund; Washington, 1952; 1950, International Monetary Fund, Balance of Payments Division data correcting information contained in Balance of Payments Yearbook; 1951, Basic tables presented to the International Monetary Fund by the National Bank of Yugoslavia in a letter dated 11 July 1952; Fiscal years 1951-52 to 1953-54, FOA estimates.

b. Includes parcel post and relief shipments.

c. Negligible.

d. Includes \$0.6 million gold subscription to International Monetary Fund and IBRD.

e. Includes \$7.9 million gold subscription to International Monetary Fund and IBRD.

f. Net sum of categories 14.4 (other short-term assets) and 15 (monetary gold) in IMF Balance of Payment Summary Tables.

g. Includes \$1 million off-shore purchases in the fiscal year 1953-54.

h. Utilization of loans and credits.

i. Includes \$9.0 million use of International Monetary Fund resources.

j. Actual shipments allotments plus pipeline.

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Table 19
Yugoslav Foreign Trade a/
1939-52

Year	Imports		Exports		Balance
	Thousand Metric Tons	Million US \$	Thousand Metric Tons	Million US \$	
1939	1,126	107.9	3,464	125.3	+17.4
1940-45					
1946		34.8	502	55.7	+20.9
1947	955	165.4	2,367	172.8	+7.4
1948	1,473	315.6	4,174	302.2	-13.4
1949	1,516	291.5	3,593	192.3	-99.2
1950	1,630	235.8	3,082	158.6	-77.2
1951	2,060 b/	390.8 b/	3,228	183.6	-207.2
1952	2,089 c/	369.4 c/	3,479	244.1	-125.2

a. Index, Monthly Review, of the Yugoslav Federal Statistical Office; millions of dinars converted to millions of US \$ at the following rates -- 1939, \$0.0227; 1946-51, \$0.02; 1952, \$0.0033.

b. Including economic aid and food aid, 1,038,000 metric tons valued at US \$148.6 million.

c. Including economic aid, 991,000 metric tons valued at US \$100.6 million.

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Table 20

Yugoslav Imports by Commodities a/
1950-52

Commodity	Quantity (Metric Tons)			Value b/ (Thousand US \$)		
	1950	1951	1952	1950	1951	1952
Vegetable Products	37,012	345,010	475,397	5,757	39,335	54,100
Livestock and Animal Products	1,795	30,460	1,390	260	28,772	435
Vegetable and Animal Oils and Fats	18,522	79,867	46,672	6,886	36,803	16,220
Food Industry Products	16,768	163,467	112,186	2,940	23,742	16,037
Wood, Cork, and Wicker Products	87	478	528	35	195	291
Leather, Furs, and Manufactures	14,467	11,160	8,124	9,244	9,262	4,264
Textiles	51,988	49,146	43,322	59,346	72,283	48,343
Chemical and Pharmaceutical Products	63,889	93,539	65,591	11,824	18,699	14,689
Rubber and Manufactures	8,165	9,887	8,196	5,971	12,362	9,283
Cellulose, Cardboard, and Paper	28,379	17,336	18,563	4,995	5,327	4,303
Fuel, Lubricants, Bitumens	897,229	986,589	958,061	21,629	29,584	28,617
Nonmetallic Minerals and Manufactures	164,205	74,625	90,851	7,393	4,149	8,220
Ores, Metals, and Manufactures	241,700	111,443	165,394	33,220	23,782	42,387
Vehicles	45,789	41,757	21,561	21,326	23,620	23,008
Machinery and Equipment	29,226	36,511	59,579	28,243	41,641	64,468
Electric Machinery and Appliances	10,262	8,233	14,284	13,805	17,230	25,965
Instruments and Apparatus	351	405	554	2,311	3,045	4,445
Printed Matter, Films, and Fancy Articles	51	117	213	610	975	977
Total Including Aid	1,629,885	2,060,030	2,089,466	235,795	390,807	369,352 c/
Regular Imports	1,629,885	1,022,003	1,098,250	235,795	242,206	268,727
Economic Aid and Food		1,038,027	991,216		148,601	100,625

a. Yugoslav Federal Statistical Office, Statistics of Foreign Trade of the FPR of Yugoslavia, 1951 and 1952.
b. Converted from thousands of dinars to thousands of dollars at the following rates: 1950-51, \$0.02; 1952, \$0.0033.
c. The individual categories add up to only \$366,052,000. There may be a typographical error in source.

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Table 21

Yugoslav Exports by Commodities a/
1950-52

Commodity	Quantity (Metric Tons)		Value b/ (Thousand US \$)	
	1950	1951	1950	1951
Vegetable Products	284,327	206,854	23,309	21,856
Livestock and Animal Products	26,183	14,527	12,595	7,837
Vegetable and Animal Oils and Fats	48,101	43,696	14,160	15,459
Food Industry Products	1,300,893	1,080,218	51,873	55,876
Wood, Cork, and Wicker Products	1,479	2,780	1,856	2,366
Leather, Furs, and Manufactures	22,061	8,305	7,238	3,152
Textiles	35,640	38,301	3,380	6,243
Chemical and Pharmaceutical Products	4	227	43	26
Rubber and Manufactures	231	3,002	188	1,737
Cellulose, Cardboard, and Paper	158,428	305,269	2,225	4,373
Fuel, Lubricants, Bitumens	369,354	479,981	4,883	7,212
Nonmetallic Minerals and Manufactures	835,396	1,044,825	36,809	57,434
Ores, Metals, and Manufactures				
Vehicles				
Machinery and Equipment		8		12
Electric Machinery and Appliances		114		35
Instruments and Apparatus		5		14
Printed Matter, Films, and Fancy Articles	6	23	42	41
Total Exports	3,082,103	3,228,135	158,601	183,673
				244,060

a. Yugoslav Federal Statistical Office, Statistics of Foreign Trade of the FPR of Yugoslavia, 1951 and 1952.

b. Converted from thousands of dinars to thousands of US \$ at the following rates: 1950-51, US \$0.02; 1952, US \$0.0033.

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Table 22

Yugoslav Imports by Commodity Groups a/ b/
1935-39 and 1946-54

Commodity	Million US \$									
	1935-39	1946	1947	1948	1949	1950	1951	1952 c/	1953 c/	1954 c/
Vegetable and Animal Products	8.0		11.1	17.8	21.6	22.8	128.7	86.8	134.0	47.6
Timber	0.8		0.5	0.4	1.1		0.2	0.3	0.2	0.4
Hides and Products	3.2		8.9	18.3	17.5	9.2	9.3	4.3	5.0	7.0
Textiles	35.0	2.1	41.0	83.0	74.0	59.4	72.3	48.3	53.0	55.0
Chemical Products	13.1	5.5	20.7	33.4	25.5	22.8	36.4	28.3	34.0	37.0
Fuel	5.6	8.1	16.0	28.5	28.8	21.6	29.6	28.6	28.0	36.0
Nonmetals	3.5	4.4	7.6	9.5	7.5	7.4	4.1	8.2	4.0	7.0
Ores and Metals	14.8	4.9	21.3	51.5	113.4 d/	33.2	23.8	42.4	25.0	40.0
Vehicles, Machinery, and Equipment	18.7		37.9	72.6		65.7	85.5	117.9	103.0	78.0
Other Products	1.0	10.8	0.5	0.7	2.1	0.6	1.0	1.0		4.0
Total Including Aid	103.7	35.8	165.5	315.7	291.5	242.7	390.9	369.4 e/	384.0	312.0
Regular Imports										
Economic and Food Aid	103.7	35.8	165.5	315.7	291.5	235.8	242.3	268.7	249.0	233.0
						6.9	148.6	100.6	135.0	79.0

a. 1935-39 average and years 1946-49, International Monetary Fund, Report on Yugoslavia, December 1951, Table 18; 1950-52 Table 4; 1953-54 Yugoslav Documents 94 and 101 and MSA estimates.

b. C.I.F. Arrivals.

c. Fiscal year import totals are as follows:

	Fiscal Year 1952	Fiscal Year 1953	Fiscal Year 1954
Total	357.9	412.0	323.0
Regular	230.4	274.8	248.0
Aid	127.5	137.2	75.0

d. Undoubtedly includes Vehicles, Machinery, and Equipment imports.

e. The individual categories add up to only US \$366.1 million. There may be a typographical error in source.

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Table 23

Yugoslav Exports by Commodity Groups a/ b/
1935-39 and 1946-54

Commodity	Million US \$									
	1935-39	1946	1947	1948	1949	1950	1951	1952 c/	1953 c/	1954 c/
Vegetable and Animal Products	58.2	28.5	58.3	151.9	64.1	50.1	45.2	109.3	40.5	89.3
Timber	19.3	3.9	34.8	69.0	65.1	51.9	55.9	45.6	52.0	46.0
Hides and Products	3.2		4.2	3.2	1.8	1.9	2.4	1.9	1.8	2.0
Textiles	7.8		6.8	9.7	6.7	7.2	3.2	5.2	8.0	15.2
Chemical Products	5.5		15.0	12.9	6.4	3.6	8.0	10.5	8.2	11.0
Fuel	0.2		10.0	4.6	4.6	2.2	4.4	3.8	6.3	5.5
Nonmetals	1.9		5.7	5.2	6.5	4.9	7.2	6.4	10.0	10.0
Ores and Metals	19.1	17.4	37.9	45.6	37.0	36.8	57.4	61.1	60.0	57.0
Vehicles, Machinery, and Equipment	0.1	7.2	0.1	0.1	0.3		0.1	0.1	3.0	9.0
Other Products									0.1	1.0
Total	115.3	57.0	172.8	302.2	192.5	158.6	183.8	244.1	190.0	246.0

a. 1935-39 average and years 1946-49, International Monetary Fund, Report on Yugoslavia, December 1951, Table 19; 1950-52 Table 5; 1953-54 Yugoslav Documents, Numbers 94 and 101, and MSA estimates.

b. FOB departures.

c. Fiscal Year export totals are as follows:

Fiscal Year 1952	Fiscal Year 1953	Fiscal Year 1954
262.4	195.1	261.0

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Table 24

Yugoslav Exports by Countries
1938-52 a/ b/

Country	1938	1946	1947	1948	1949	1950	1951	1952
UK	11.2	0.6	4.7	18.9	37.3	29.3	33.8	34.4
Germany c/	41.8	0.6	4.8	5.2	10.8	19.9	30.7	57.7
US	5.9	1.1	3.4	7.8	15.4	21.5	26.8	35.8
Italy	7.5	1.8	19.7	24.7	19.7	18.3	21.8	31.0
Austria	7.0	1.6	8.3	18.6	21.2	16.0	16.6	25.8
France	1.7	0.6	2.3	4.4	8.2	5.5	9.0	11.8
Netherlands	2.5	4.0	12.7	19.4	13.4	6.3	6.2	5.4
Switzerland	1.9	1.5	6.1	10.2	6.2	6.0	5.4	6.4
Belgium-Luxembourg	7.8	0.1	1.9	6.7	4.2	4.8	4.2	4.6
Egypt	0.9	0.3	3.0	9.9	3.3	6.6	4.4	6.0
Sweden	0.7	0	2.1	8.6	5.3	4.7	2.2	2.5
Czechoslovakia	9.2	14.6	31.1	48.6	8.6			
USSR		23.3	28.6	45.5	9.5			
Hungary	5.0	0.3	14.5	26.8	5.1			
Poland	1.7	1.5	6.0	23.7	3.8			
Rumania	1.2	0.7	1.5	3.1	0.3			
Other Countries	10.3	4.4	22.2	20.3	20.0	19.7	22.6	22.7
Total	116.2	57.0	172.8	302.2	192.3	158.6	183.7	244.1

a. 1938-49, Yugoslav Ministry of Finance; 1950-52, Yugoslav Federal Statistical Office, Statistics of Foreign Trade of the FFR of Yugoslavia, 1951 and 1952.

b. Exports by countries of destination.

c. Trade limited to West Germany after 1948.

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UNCLASSIFIED

Yugoslav Imports by Countries
1938-52 a/ b/

[illegible]

a. 1938-49 National Bank of Yugoslavia. 1950-52 Yugoslav Federal Statistical Office, Statistics of Foreign Trade of the FPR of Yugoslavia, 1951 and 1952.

b. Imports by countries of origin.

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c. Trade limited to West Germany after 1948.

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